



FIRETRADE

ENGINEERING PUBLIC COMPANY LIMITED

ANNUAL REPORT 2017



Turn-key for Engineering, Design, Supply, Installation, Supervision, Testing and Commissioning.

- Valve, Fire Hose, Fire Extinguisher Equipment and Automatic Sprinkler Equipment
- Water Base System, Foam System, Gaseous System and Dry Chemical System
- Fire Suppression – Detection & Fire Alarm System

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Remarks: For more information, please see our Annual Registration Statement (Form 56-1) which is posted on The Office of the Securities and Exchange Commission's website at www.sec.or.th or visit www.set.or.th and the Company's website at www.firetrade.co.th

Vision

The Company operates business of importing and distributing fire protection equipment systems, clean agent extinguishing systems, fire alarm system and high quality fire pump machines with standard highly matches customers' need and satisfaction in full range of fire protection services by specialized engineer teams who develop and get training continually.

Mission

To develop project engineering management by professionals to get works with quality and standard. To finish works completely or send products in time and/or catch up customers' need and make them and related persons to have highest satisfactions.

Message from Chairman

Dear shareholders

In the year of 2017, although the overview of construction segment had expanded not much because the Mega Project of government sector was hesitated and the real-estate sector slowed down the new investment. But the strategy adjustment of the Company that focused on contracting to install the fire protection system for big business segments such as electricity station, data center and hypermarket. This strategy affected the Company to have good turnover' growth and hit highest profit in 18 years.

The Company is also registered with The Stock Exchange of Thailand to do fund-raising to expand business and the Company believed it could support its potentials to progress fast with that had grew by leaps and bounds and had more security in the future. The Company still intends to preserve leader status in entire fire equipment markets and develop effectiveness in operation by holding good conduct of listed company according to The Stock Exchange of Thailand's regulations.

On behalf of the Chairman of the Board of Directors, I thank to shareholders, investors, financial institutes, business alliances, customers, executive directors and every staffs for your trustworthiness and confidences to come together running business with sacrifice, devote, patience and honesty. All creates endurance of Company operation and supports the Company to have security and could grow sustainably and meet the Company's aims as well.

I swear to operate business with good corporate governance, awareness for all stakeholders and having responsibility to society and environment including creating good compensation to every shareholder along with creating growth of Company's turnover.



Mr.Pornsak Limboonyaprasert

Chairman

Message from Managing Director

Dear Shareholders

Year 2017 is the year with important change of the Company for registering in The Stock Exchange of Thailand. This is the important history of business of FTE, it's also increasing of potentials and capabilities to grow in business sustainably. After doing fund-raising, the Company prepares to expand business effectively and the Company takes some raising funds to be revolving funds to do contracting project of installing big fire protection system. The Company prepares to open domestic sale and service offices including constructing warehouses as fund-raising plan.

The business operation of year 2017 grew pleasantly. The better turnover was result from Company's strategy adjusting to design and install fire protection system for big business segments and also manages capital for the highest effectiveness in every procedure go together with Company's risk management measures.

In the year 2018, the Company is confident FTE would grow significantly from operation plan of the Company to expand customer base to do contracting design system. The Company bids auction with government and private sectors continually, expands domestic area services and increases sale effectiveness to serve needs of customer group. With devoting and intending of executive directors and staffs, it believes that the Company could manage business to grow as plan and make good compensation to shareholders.

On behalf of managing director, I thank to customers, shareholders and business alliances for good supporting. I also thank to executive directors and every staffs for coming together to run business extremely all the time and this encourages the Company to have security and could grow sustainably and meet the Company's aims as well.



Mr. Taksin Tantipijit

Managing Director

Report of Nomination and Remuneration Committee

Dear Shareholders

Firetrade Engineering Public Company Limited nominated Nomination and Compensation Committee by considering from three of Company's directors and executive directors and in this list two persons was independent directors as follows;

- | | |
|---------------------------------|---|
| 1. Mr. Sirichai Towiriyawate | Nomination and Compensation
Chairman/ Independent Director |
| 2. Mr. Pornsak Limboonyaprasert | Nomination and Compensation
Committee/Independent Director |
| 3. Mr. Taksin Tantipijit | Nomination and Compensation
Committee |

Nomination and Compensation Committee performed duties as specified in Nomination and Compensation Committee Charter. They had duties on selecting persons who deserved to be proposed as new committee or recruiting executive directors. Nomination and Compensation Committee provided criteria or recruiting methods and selecting with principle and transparency including considered to specified compensation for Board of Directors and executive directors by specifying fair and reasonable compensation to propose in the Board of Directors' meeting.

In the year of 2017, Nomination and Compensation Committee hold a meeting as be assigned and they considered to select committee who would retire by rotation and specified committee's compensation for the year 2018 to propose to the ordinary meeting of shareholders following related laws including revised Nomination and Compensation Committee Charter.



.....
Mr.Sirichai Towiriyawate

Nomination and Compensation Chairman

Board of Directors



Mr. Pornsak Limboonyaprasert
Chairman



Mr. Taksin Tantipijit
Vice Chairman



Mr. Sirichai Towiriyawate
Director



Mr. Worapon Lopansri
Director



Mrs. Pattamaporn Tantipijit
Director



Miss Suwanee Chenchitkhachorn
Director



Miss Pen Yodkliang
Director

Group of Company's Structure



Firetrade Engineering Public Company Limited

Authorized share capital: Baht 300.00 million

Issued and paid-up share capital: Baht 300.00 million

Par value: Baht 0.50 per share

Business operation: Importer and distributor of products related to full range of fire protection services comprise of;

1) Fire protection equipment systems 2) Fire suppression systems 3) Fire alarm systems including designing, selling, sourcing, installing, examining, repairing, and maintaining of fire protection equipment and related fire protection systems.

99.99 %



Fire Inspector Company Limited

Authorized share capital: Baht 2.00 million

Issued and paid-up share capital: Baht 2.00 million

Par value: Baht 100.00 per share

Business operation: Importer and distributor of fire suppression systems including designing, selling, sourcing, installing, examining, repairing, and maintaining of system works related fire protection systems specific to 3 product brands the Company nominated to be distributor at present.

Key Financial Information

Financial Ratios		2015	2016	2017
Liquidity Ratios				
Liquidity Ratio	times	2.49	2.81	6.55
Quick Ratio	times	1.45	1.62	4.61
Average Collection Period (Including value of unbilled receivable)	days	124	105	96
Average Holding Period	days	125	109	99
Payable Conversion Period	days	72	48	38
Cash Cycle	days	177	166	157
Profitability Ratios				
Gross Profit Margin	%	25.50%	24.78%	26.61%
Operating Profit Margin	%	13.99%	13.35%	16.38%
Net Profit Margin	%	9.69%	10.19%	13.24%
Return on Equity	%	26.99%	26.88%	24.68%
Efficiency Ratios				
Return on Assets	%	14.40%	16.98%	19.19%
Return on Fix Assets	%	345.10%	325.79%	440.56%
Assets Turnover	times	1.36	1.62	1.45
Financial Policy Ratios				
Debt to Equity Ratio	times	0.64	0.52	0.19
Interest Coverage Ratio	times	19.55	54.66	52.95
Dividend Payout ^{/1}	%	18.91%	528.61%	99.76% ^{/2}

Remarks : /1 Dividend Payout Ratio Formula: Yearly Dividend /Net Profit (Separate Financial Statements)after deducting legal reserves as the Company declared to payout dividend for the year 2015, 2016 and 2017 in the amount of Baht 14.00 million, Baht 346.02 million and Baht 136.50 million respectively, while the Company had net profit(Separate Financial Statements) after deducting legal reserves as the Company declared to payout dividend for the year 2015, 2016 and 2017 in the amount of Baht 74.03 million, Baht 65.46 million and Baht 136.83 million respectively.

/2 The Board of Directors had resolution to payout dividend for the year of 2017 in the 2018 of annual general meeting of shareholders in the amount of Baht 136.50 million.

Key Financial Information Explanation

The structure of company and its subsidiary' revenue for the year 2015-2017

(Unit : In Million Baht)

Type of Revenue	2015		2016		2017	
1. Revenue from sales	603.88	79.60%	628.41	76.40%	655.71	67.23%
2. Revenues from project works and services						
2.1) Revenues from project works	144.31	19.02%	180.38	21.93%	305.66	31.34%
2.2) Revenue from services	10.45	1.38%	13.77	1.67%	13.96	1.43%
Total Revenue from sales and services	758.64	100.00%	822.56	100.00%	975.33	100.00%
Other Revenue	2.93		6.96		11.41	

Revenue from sales and services categorized by customer groups for the year 2015-2017

Customer Group	2015	2016	2017
1. Designer and contractor of fire protection system	58%	59%	68%
2. Project owners or end users	28%	28%	18%
3. Shop group or product distributors	14%	13%	14%
Total	100%	100%	100%

Revenue from Sales

In year 2017, the Company and its subsidiary had revenue from sales increased from 4.34% of year 2016 as Baht 628.41 million to be Baht 655.71 million. Increased revenue was from increased orders from designer and contractor of fire protection system group as main revenue that was the Company's regular customers consistent with sales ratios of designer and contractor group that increased to be 69% of revenue from sales in the year 2017.

Revenue ratios from sales categorized by customer groups for the year 2015-2017

Customer Group	2015	2016	2017
1. Designer and contractor of fire protection system	58%	60%	69%
2. Project owners or end users	22%	18%	12%
3. Shop group or product distributors	20%	22%	19%
Total	100%	100%	100%

Revenues from project works and services

In year 2017, the Company and its subsidiary had revenue from project works and services increased from 64.63% of year 2016 as Baht 194.15 million to be Baht 319.62 million. Because the Company and its subsidiary got more projects and most of them are projects of Electricity Generating Authority of Thailand such as high voltage terminal stations of EGAT in Khon Kaen, Nakohn Sawan, Phayao, Saraburi and Prachuap Khiri Khan Branches. Revenue ratios from project works were 95.63% of project works and services, and revenue from other services were 4.37% of project works and services.

Revenue ratios from project works and services categorized by customer groups for the year 2015-2017

Customer Group	2015	2016	2017
1. Designer and contractor of fire protection system	47%	45%	68%
2. Project owners or end users	53%	55%	31%
3. Shop group or product distributors	0%	0%	1%
Total	100%	100%	100%

Profitability

In the year 2015, 2016 and 2017, the Company and its subsidiary had profitability increased. Net profit of parent company was Baht 73.83 million, Baht 84.56 million and Baht 130.65 million respectively. Net profit margins were 9.69%, 10.19% and 13.24% of yearly total revenue respectively. Major revenue resulted from increasing of projects and values of contract installing projects related to fire protection systems in each year.

In the year 2015, 2016 and 2017, the Company and its subsidiary had paid increasingly about staffs, PR consultant fees, attendance fees of the Board of Directors, financial consultant fees and legal consultant fees to prepare company to register with The Stock Exchange of Thailand including improving internal systems. These actions encouraged the Company and its subsidiary to grow stably and could support Company's expansion in the future.

However, although these expenses would increase in each year but the profitability from operations is growing as well.

Financial Ratio		2015	2016	2017
Net Profit Margin	%	9.69%	10.19%	13.24%

Company's liquidity

In year of 2017, the Company and its subsidiary had liquidity ratio increased from 2.81 times to be 6.55 times and quick ratio increased from 1.62 times to be 4.61 times because cash was received from Initial Public Offering (IPO) to public. Consider from cash cycle ratio, it would find that the Company and its subsidiary had cash cycle ratio decreased from 166 days to be 157 days. This showed the Company and its subsidiary had liquidity in good level and its trend was better continually.

Financial Ratios		2015	2016	2017
Liquidity Ratio	times	2.49	2.81	6.55
Quick Ratio	times	1.45	1.62	4.61
Cash Cycle	days	177	166	157

Efficiency of management

As at December 31, 2015, 2016 and 2017, the Company and its subsidiary had trade accounts receivable in the amount of Baht 199.51 million, Baht 185.34 million and Baht 213.70 million respectively by using policy to monitor debt collection strictly as considering and monitoring trade accounts receivable with 1-year overdue residual debt or trade accounts receivable with tendency that he couldn't pay debt or judgment debtor to help debt collection more effectively.

As at December 31, 2015, 2016 and 2017, the Company and its subsidiary had inventories in the amount of Baht 218.28 million, Baht 189.71 million and Baht 251.39 million respectively. Because the Company set inventories management policy more effectively and could support sale needs to meet target adequately. In year of 2017, the Company and its subsidiary had average holding period decreased from 109 days to be 99 days.

Financial Ratio		2015	2016	2017
Average Holding Period	days	125	109	99

Debt to equity ratio

The Company and its subsidiary had debt to equity ratios for 0.64 times, 0.52 times and 0.19 times respectively. They were decreased continually from the year 2015 to 2017 and it was result from profitability and increasing of registered capital from selling Initial Public Offering (IPO) to people. This showed strength of financial structures of the Company and its subsidiary.

Financial Ratio		2015	2016	2017
Debt to Equity Ratio	times	0.64	0.52	0.19

Business Overview

The Company operates by importing and distributing products related to full range of fire protection services including designing, selling, sourcing, installing, repairing, examining and maintaining of fire protection equipment systems and related fire protection systems by Company's specialized engineer and mechanic teams. Nowadays, the Company is distributor of fire protection equipment and fire protection systems from well-known world class companies that have accepted universal standard. The Company has several products over 9,000 items of over 30 well-known brands as exclusive distributor and general distributor as well. The Company has a subsidiary company, Fire Inspector Company Limited that operates importing and distributing specific brands of fire suppression systems.

The Company commits to be full range of fire protection services and fire protection systems distributor and also services to design, install fire suppression systems and standard fire alarm systems to please customers. Our important policy is to deliver products and services related to fire protection and fire alarm systems quickly with accepted safety standard and has variety matched with customer's needs.

Nature of Business

The Company started business in year 1999 as importer and distributor of fire protection equipment systems, fire suppression systems and fire alarm systems from well-known foreign manufacturers. The Company further gets trustworthiness to be distributors of leading product brands such as NIBCO, Dixon Powhatan, TYCO, Grinnell, SPP Pumps, LPG, Securiton, Fogtec and Pyrochem. Moreover, in year 2004, the Company expanded line to provide installing fire protection systems in other projects besides service of fire protection system design. The Company is then considered as full range of fire protection service provider.

Revenue structure of the Company and its subsidiary

The Company and its subsidiary get revenue from business operation that could separate into 2 types such as;

1. Revenue from sales; this comes from selling products related to fire protection comprises of: 1) full range of fire protection services 2) fire suppression systems 3) fire alarm systems. Their main customers are designer and contractor of fire protection system, project owners or end users and nationwide product distributors.

2. Revenue from services which comprises of: 1) revenue from projects the Company and its subsidiary serve in designing, selling, sourcing and installing fire suppression systems or fire alarm systems and 2) service of examining and maintaining of fire protection equipment systems and related fire protection systems by having main customer groups as designer and contractor of fire protection system and project owners.

Types of Products and services

Details of products could be separated into 3 product groups as follows;

Product group No.1: Fire Protection and Equipment Systems

1.1) Valve is a part of fire protection system. Valve that used for fire protection system shall certify by UL Listed (Underwriters Laboratories) and / or FM (Factory Mutual). There are many kind of valve used in fire protection system as follows.



1.2) Grooved Coupling and Fitting are used as the joint/coupling to install with pipe of fire protection systems without welding work.



1.3) Fire hose cabinet and accessories

1.3.1) Fire hose cabinet is designed to use for firefighting. The cabinet is finished with red and front door with glass could easily to open or break to take the equipment out when emergency. The Company sells this our own product under the brand “TOTAL FIRE”.

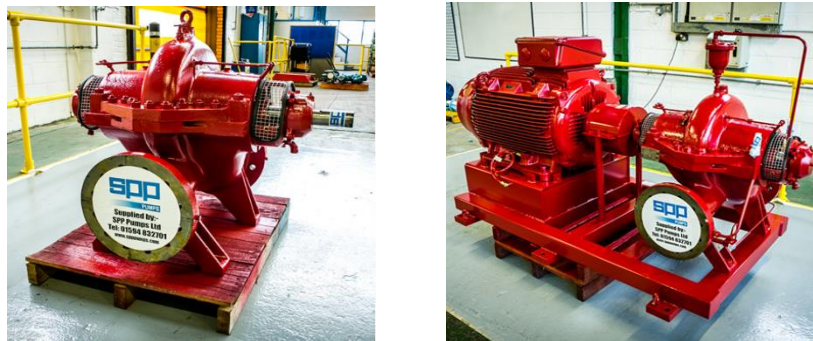


Samples of Fire Department Connection

1.4) Portable Fire Extinguisher is the fire extinguisher designed to use indoor or outdoor along with another kind of fire fighting systems. It is also used as a primary fire extinguisher when the fire starts burning. The Company sells its own products under the brand “TOTAL FIRE” including to be the distributor of various brands of fire extinguishers



1.5) Fire pump is designed for controlling the pressure and water flow to be sufficient for fire protection systems. Fire pump needs to be certified by UL listed / FM approved and NFPA20 standard.



Fire Pump

Product group No.2: Fire suppression systems such as water-based systems, foam systems, Clean Agent Extinguishing Systems and Gaseous Systems

2.1) Water-based system is water fire extinguishing composing the sprinkler or nozzle head for working.



2.2) Foam System is a compound system that mixes water and foam concentrate for fire extinguishing. They work by using principles of foam making or create foam on a flammable liquid to block oxygen from the fire.



2.3) Clean Agent Extinguishing System is designed for a total flooding system in protected area where installed the electrical equipments, electronic devices or flammable liquid to protect high values business assets.



2.4) Gaseous System is designed for a Total Flooding System during a fire extinguishing system operated. Fire protection areas have to completely close in order to prevent gas leakage from protected areas such as CO₂, Inert Gas Agent etc.

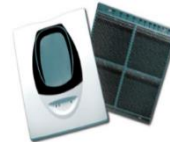


Product group No.3: Fire Alarm System

Fire alarm system is a system used to detect smoke, heat or flame of fire in any place. The fire alarms may be automatically activated by smoke /detector to warn people through visual and audio appliances to immediately recognize the incident and could stop the fire before the fire spreads. The fire alarm system consists of 4 main components: 1) smoke detector 2) manual call point 3) fire alarm control panel and 4) alarm bell devices. Furthermore; each components are connected by a signal cable. The system will detect and alarm when fire occurs so the person inside the building could evacuate to outside or a safe area.



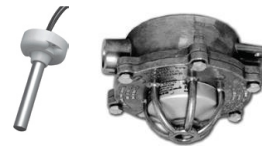
Spot Type



Linear Type



Heat Detector



Explosion Proof Type



Manual break glass



Manual Pull station



Alarm bell



Horn strobe



Fire alarm control panel

Service details could be divided into 2 types as follows;

1. Revenue from projects: Consultation, Design and Installing of Fire Suppression Systems and Fire Alarm Systems

The Company and its subsidiary serve as giving consultation, design and installing of fire suppression system and fire alarm system following product groups above. Engineer teams of the Company and its subsidiary would be coordinators get in touch with contractors or project owners to introduce fire protection products appropriate to customer's needs and budgets. Then they employ contractors to work with engineer teams of the Company and its subsidiary to install fire protection systems including testing fire suppression systems and fire alarm systems before using after installation (Testing and Commissioning) to ensure the Company and its subsidiary could hand over potential fire protection system ready-to-use following regulation or safety standard for customers.

2. Revenue from services: Services of examining and maintaining fire protection equipment systems and related fire protection systems (Preventive Maintenance)

In addition to services of consultation, design and installing of fire suppression systems above. Fire protection system and related systems must be examined for equipments and systems to be ready-to-use regularly. Then the Company and its subsidiary add services of examining and maintaining fire protection systems after sales by engineer teams of the Company and its subsidiary to facilitate customers.

Marketing and competition

1. Marketing strategies

1.1) Product or service strategies

The Company and its subsidiary collect experience and knowledge in fire protection systems business for a long time and they could serve each group of customer's needs nicely. The Company and its subsidiary are appointed to be distributor of well-known product brands accepted in universal quality and safety standard and they have various products matched with customer's needs. Moreover, the Company and its subsidiary have good relationship with leading foreign brand owners for a long time and get support to teach knowledge in serving designing and installing fire protection systems including giving technical information of products via training Company's officers and staffs. This activity develops potentials of sale and service staff teams then they have in-depth knowledge of products and could advise customers to select fire protection equipments and systems consistent with used area appearance. This is one of key strategies to make customers to be satisfied and support to make a sale.

1.2) Price strategies

The Company and its subsidiary have policy to set sale price by using cost plus pricing that the Company orders from foreign brand owners. There are considering adjusting additional profit ratios every year. In order that the Company has policy to give discount following customer groups which comprise of contractors, distributors and general customer. Engineer teams would calculate project's capital be composed of goods' capital, subcontractor's wage and other expenses before adding margin ratio from appropriate services and offering prices to customers to consider and agree service price respectively.

1.3) Place strategies

The Company and its subsidiary have 2 sale teams: fire protection equipment sale team and system and installing of fire protection system projects (both fire suppression systems and fire alarm systems). Sale teams contact and offer products directly to fire protection system designers, fire protection systems contractors or project owners.

Sale Channels of the Company are divided into 3 channels as follows;

1.3.1) Fire protection system designers and contractors : The Company and its subsidiary do marketing via this group as using distinctive point of being well-known accepted distributor who has universal standard and various fire suppression system products matched customer' needs. The Company also serves quickly and supports technical information for fire protection system designers and contractors.

1.3.2) Building Owner or End User: The Company and its subsidiary have sale teams of equipments and fire protection systems who have in-depth knowledge of products and could offer products including give information about products to building owner or end user to encourage them to understand products and give some advices for deciding to buy products consistent with customers' needs and budgets.

1.3.3) Shops or distributors of products related to fire protection systems: The Company and its subsidiary have selected nationwide potential shops and distributors to sell products to subcontractors or general customers. This is considered to be one of channels distributed products that the Company is distributor to subcontractor or general customers thoroughly.

1.4) Promotion strategies

The Company and its subsidiary focus on marketing promotion. The Company registered to be member of Thai Electrical & Mechanical Contractors Association (“TEMCA”) to exchange knowledge in member group that has trend to use Company's products and services. Moreover, the Company also opens booth in expo and shows exhibition to give knowledge at educational institutes to publicize Company's products and services to be well-known. The Company also plans to more support advertisements in newspapers and online media in the future to strengthen Company's image, to create brand recognition and brand awareness for target customers.

2. Characters of customer group and revenue ratios categorized by customer group

Customer group: The Company and its subsidiary divide customers into 3 groups as follows;

- 1) **Fire protection system designers and contractors:** This customer group is the main customers because when project owners decide to buy fire protection equipments and systems, they would tell fire protection designers to know their budgets and needs and then contractors would search prescribed products for installing.
- 2) **Project owners or end users:** The Company and its subsidiary sell products to building owners, industrial factories and end users. Project owners or end users would consider to buy projects according to their needs, qualities and budgets.
- 3) **Shops or distributors of products related to fire protection systems:** The Company and its subsidiary sell fire protection system products to shops or distributors nationwide.

3. Industrial Review

Industry Overview

Construction Industry

Industrial review relates to needs to use Company's products including serving to design and install fire protection systems and fire alarm systems because construction industry especially tall buildings, office buildings and large commercial buildings must be designed and done layout of building with safety according to Building Control Act and building regulations. Main factors influent construction industry is public and private construction investment as details;

Public Construction

In year 2017, the most of public construction was infrastructure investment that was over 70% of all public construction value. The trend of public construction in year 2018 will expand following Mega Project progress. It is expected that Mega Project would grow 13% to 16% per year and this helps contractors to have more backlog.

Private Construction

In year 2017, private construction was in residence construction for 55% of all private construction value as seen from the increasing amount of house, condominium and also increasing new offices area because most of entrepreneur believe in economics and politics. For trend of private construction in year 2018, is expected to expand about 2% to 4% annually from positive factors occurred since year 2017.

4. Competition Review

Overview of import and distribution business for products related to fire protection equipment systems, fire protection systems and fire alarm systems have high level of competition because there are many potential entrepreneurs running business of fire protection equipment and fire protection system distributions in the country. This business has low entry barrier because concession offering from government sector isn't necessary and a little capital is needed for being entrepreneur of fire protection equipment distribution. However, fire protection equipments are products that must be aware of safety standard so products must pass universal standard of quality check and quality assurance. Most of products are imported from foreign countries and a few Thai entrepreneurs are appointed to be distributors form foreign brand owners and world accepted brands are limited. Most of brand owners have policy to sell via exclusive distributor and limited distributor.

Product or Service Providing

Product providing are the key strategy of company and its subsidiary according to vision that aim customers could use variety of products. For over 18 years, the Company is appointed to be distributor of fire protection equipments and systems from foreign brand owners that are continually accepted in universal standard. The Company also has executive director team and staffs with knowledge and expertise in fire protection system to select products to sell the customers to ensure they could get products with universal standard quality in reasonable prices.

Environmental Impact

-None-

Undelivered Works

As at December 31, 2017, the Company and its subsidiary have 40 undelivered works of fire protection system installation projects and the left values of unknown revenue are Baht 187.35 million.

Key milestones of the Company

Key change in year 2017

The Company was listed company and started trading commencement in The Stock Exchange of Thailand on July 27, 2017

Key change and development in the past from company establishment to present

Year	Details
1999	<ul style="list-style-type: none"> Established Firetrade Engineering Co., Ltd. on November, 1999 with registered capital of Baht 2 million, Mr.Taksin Tantipijit group had shareholding of 85.50% while senior, cousin and colleague group had shareholding of 10.00%, 2.50% and 2.00% respectively. The Company distributed the fire protection products and equipments, fire suppression system, designing and sourcing services in fire protection equipment systems, fire suppression systems and fire alarm systems and head office located on No.19/20-22, Soi Soonvijai, Bangkapi Sub-district, Huaykwang District, Bangkok 10310.
2000	<ul style="list-style-type: none"> On February, 2000, the Company increased capital to Baht 10 million for investment and use as working capital to business expansion.
2001	<ul style="list-style-type: none"> On April, 2001, the Company increased capital to Baht 20 million for investment and use as working capital to business expansion. The Company had appointed to the distributor of automatic fire suppression system (foam) for industrial building, so the Company had to expand the customer base to industrial group and oil refinery.
2002	<ul style="list-style-type: none"> The Company moved its head office to No.21/56, Soi Soonvijai, Rama 9 Road, Bangkapi Sub-district, Huaykwang District, Bangkok 10310 with large useful space for supporting business growth.
2004	<ul style="list-style-type: none"> The Company hired additional office area at No.21/57, Soi Soonvijai, Rama 9 Road, Bangkapi Sub-district, Huaykwang District, Bangkok 10310 for supporting business growth and increasing service line staffs of installing fire protection system projects.
2007	<ul style="list-style-type: none"> Mr.Taksin Tantipijit established F.T. Contractor Co., Ltd. on May 11, 2007, with registered capital of Baht 1 million and Mr.Taksin Tantipijit group had shareholding of 100% and its head office located on No.21/56, Soi Soonvijai, Rama 9 Road, Bangkapi Sub-district, Huaykwang District, Bangkok 10310 to import and distribute clean agent fire suppression system to be more alternatives for customers.
2009	<ul style="list-style-type: none"> F.T. Contractor Co., Ltd. was change its company name to Fire Inspector Co., Ltd. (“FIS”) on December 16, 2009 and increased its registered capital to Baht 2 million. Mr.Taksin Tantipijit group bought 9,000 newly issued shares and Mr.Krisada Lehavanich who appointed to be sale executive of FIS bought 1,000 newly issued shares then Mr.Taksin Tantipijit group had shareholding of 95% while Mr.Krisada Lehavanich had shareholding of 5%. FIS moved its office to No.26/1, Soi Soonvijai 2, New Phetchaburi Road, Bangkapi Sub-district, Huaykwang District, Bangkok 10310.
2011	<ul style="list-style-type: none"> The Company granted certificate management system by ISO standard 9001:2008 from SGS (Thailand) Limited under United Kingdom Accreditation Service (UKAS) and National Accreditation Council (NAC) from Ministry of Industry.

Year	Details
2014	<ul style="list-style-type: none"> • Lease term of No.21/56 area of head office expired then the Company moved its head office to No.21/57-58, Soi Soonvijai, Rama 9 Road, Bangkapi Sub-district, Huaykwang District, Bangkok 10310. • The Company hired to produce in Original Equipment Manufacturer (OEM) and marketing under the brand “TOTAL FIRE”. All products passed the standard quality from product quality tester in Malaysia along with British Standard (BS). The Company also hired manufacturer in Thailand to produce portable fire extinguisher and marketing under brand “TOTAL FIRE” and obtained Thai Industrial Standard (TIS) from Ministry of Industry.
2016	<ul style="list-style-type: none"> • FIS moved its office to to No.21/57-58, Soi Soonvijai, Rama 9 Road, Bangkapi Sub-district, Huaykwang District, Bangkok 10310. • On January 28, 2016, the Extraordinary General Meeting of Shareholders No. 1/2016 held the shareholders approved the dividend payment from net profit for the year 2012 at the rate of Baht 19.36047 per share, totaling Baht 3,872,094.95. • On July 28, 2016, the Extraordinary General Meeting of Shareholders No.2/2016 passed resolutions detail as follows; <ul style="list-style-type: none"> - The interim of the year 2016 was paid dividend to the existing shareholder of share 200,000 ordinary the dividend payment from net profit for the year 2012 – 2015 at the rate of Baht 1,395.74 per share, totaling Baht 279,148,000.00. - Increase the Company’s authorized share capital from Baht 20 million to Baht 225 million by newly issued share capital amounted to Baht 205 million and Allocated and offered increasing 2,002,500 ordinary shares to the existing shareholders according to the proportion of shareholding, and also offered 47,500 remaining ordinary shares to swap with Fire Inspector Co., Ltd’s 19,998 ordinary shares from its shareholders in order to restructure the group of business to avoid the conflict of interest in the future then the Company hold FIS proportion of 99.99 % of paid-up capital. - Approve to transform the limited company to public limited company rename to Firetrade Engineering Public Company Limited. - The Company Change the par value of authorized share from Baht 100 per share to Baht 0.50 per share with totaling authorized share capital 450 million ordinary shares. - Increase the Company’s authorized share capital newly issued share capital amounted to Baht 75 million with totaling authorized share capital Baht 300 million and allocate the increasing shares for initial public offering (IPO).
2017	<ul style="list-style-type: none"> • At the general shareholders’ meeting of 2017 held on March 10, 2017, the shareholders approved the dividend payment from net profit for the year 2016 at the rate of Baht 0.14 per share, totaling Baht 63 million. • At the Board of Directors’ meeting No. 2/2017 held on May 12, 2017, the Board of Directors approved an interim dividend payment from operation of the 1st quarter of 2017 at the rate of Baht 0.042 per share, totaling Baht 18.9 million. • The Company’s ordinary shares were accepted as the listed securities by The Stock Exchange of Thailand on July 27, 2017. • At the Board of Directors’ meeting No. 4/2017 held on November 8, 2017, the Board of Directors approved the second interim dividend payment from operation for the six-month period ended June 30, 2017 at the rate of Baht 0.07 per share, totaling Baht 42 million.

Operation Strategy

- To develop sale amount and profit for sustainable growth by maintaining service standard.
- To develop relationship and pleasure for original customers along with expanding customer base by opening new potential markets in local and foreign areas in Indo-China.

Business Plan for Future

The Company and its subsidiary plan to get jobs on installing large-sized fire protection systems and fire alarm systems and the main customers are contractors of Engineering Procurement Construction (EPC) that work in mega projects that need appropriate working capital as specified in term of reference (TOR). In order that the Company and its subsidiary may get jobs on installing large-sized fire protection systems and fire alarm systems from project owners directly such as project of improving high voltage terminal stations of EGAT (Procurement by special method), factory owners, office building owners and condominium owners.

Risk Factors

The Company gives priority to risk management including intending to resolve risk of company continually. The investor should consider risk factors and other details appeared in this document carefully before decides to invest. Risk factors specified in this document are referred from present information and prediction in the future as could be specified. Some significant risk factors could affect negatively to Company's share value. Risk factors specified in this document are not the whole remaining risk factors. Maybe there are some unknown risk factors and maybe some risk factors are considered by the Company as insignificant factors at the present but they could be significant risk factors affected significantly to revenue, profit, asset, liquidity, source of investment funds and business opportunity of the Company in the future. Then the investor should have discretion to consider information carefully.

Moreover, messages as future prediction, estimation, intention or purpose of the Company as appeared in this document such as "plan", "intend", "want", "predict", "deem that", "believe that", "estimate", "may" or any words or messages likewise that are words or messages to indicate something would be happened in the future with uncertainty and the actual results would be different from those predicted.

1. Risk in business operation

1.1 Risk from discontinuity of revenue

Because of the Company and its subsidiaries had revenue from serving project of installing fire protection equipments, fire suppression systems and fire alarm systems about 20% of total revenue in average back to 2 years (year 2016-1017). Business operation as contracting projects like this may have risk from discontinuity of revenue. When installing fire suppression system service was complete and handed over but there was no new project, the Company still had expenses especially fixed cost. So the Company could be affected by expenses inconsistent with revenue and it could affect company operation.

The Company had realized risk from discontinuity of revenue as well, we did yearly budget plan then Executive Committee could analyze and plan to do projects or contact to bid new projects consistent with nearly finished projects. This action could reduce risk from discontinuity of revenue and the Company and its subsidiaries also had revenue from sales about 80% of total revenue that tended to grow continually so the Company had believed it won't be risk significantly.

1.2 Risk from relying on main foreign partners, risk from being cancelled from being distributor and main foreign partners coming to run business themselves

Because the Company was importer and distributor of fire protection equipment systems and fire suppression systems from foreign brand owners appointed the Company to be exclusive distributor such as OSW and appointed to be general distributor such as Dixon Powhatan, TYCO, Grinnell, SPP Pumps, LPG, Securiton, Fogtec and Pyrochem. So the Company had risk from relying on main foreign partners and risk from being cancelled from being distributor to change distributor or main foreign partners decided to run business themselves directly. Because most of contracts used to appoint distributors was the revised contracts to renew contracts of being distributor in every 1-3 years. If brand owners didn't renew being distributor of the Company and its subsidiaries, it would affect to business operation of the Company. However, the Company was confident it won't be affected from that risk significantly because the Company had good relationship with foreign brand owners that were Company's partnership for over 18 years. Besides the Company could comply with the agreement of trading partner and got trust from partner to be distributor all along.

1.3 Risk from employing subcontractors to install products

Besides the Company distributed fire protection equipments and fire suppression systems, it also worked for project installing fire protection equipments and fire suppression systems such as high voltage sub-station project and sky train project. In order to work for projects, the Company must employ subcontractors to install products of customers and this may be risk to control quality of installing following Company's standard. However, the Company considered that risk as well.

However, to protect that risk, the Company had plan to control quality of work from selecting subcontractors, designing systems to controlling installation by having Company's engineers to check quality of installation and work in every steps thoroughly before handing over work to the customers. The customers must check and evaluate all works with Company's engineers once again before handing over to make the customers confident the quality of Company's works. For selecting subcontractors for installation, the Company must select standard subcontractors and used old subcontractors that the Company was confident with and clear contract would be written for each project. Moreover, the Company also did insurance before working every project. The Company never faced any complaints from customers about products or equipment installation and fire suppression systems.

2. Financial risk

Risk from exchange rate

Most of products were imported from foreign countries and must be paid by foreign currency but whole revenue of the Company and its subsidiaries were in Thai baht. Orders from foreign countries of the Company and its subsidiaries were about 70%-80% of yearly total orders. Foreign exchange rate was always fluctuated so the Company and its subsidiaries may get risk from exchange rate fluctuation that would affect Company's revenue and operation.

The Company had considered effect from risk and had policy to prevent risk from exchange rate. The Company got support from financial institutes to use financial tools such as opening Forward Contract that was financial limit able to cover debt of foreign account payable in some period. The Company had considered using that financial tool appropriately and the Company had financial limit of Forward Contract from financial institute in the amount of Baht 14.39 million that was enough for preventing risk from exchange rate for each period of ordering products from foreign countries. In order that the Company believed exchange rate for each period of foreign orders, then the Company was believed that exchange rate fluctuation won't affect to revenue and cost but affected to Company's operation significantly.

3. Risk from management

Risk from major shareholder influent to set administrative policy

The business had Mr. Taksin Tantipijit's group, the major shareholder, holding total shares about 64.64% of total paid-up shares (After Initial Public Offering had done.). Then minor shareholders may have risk from major shareholder influent to set administrative policy. Major shareholder was one of the Board of Directors influent to resolution of shareholders' meeting because its group had over half of total shares except resolution that must be approved from shareholders over $\frac{3}{4}$ of issued and paid-up shares.

However, the Company had Audit Committee comprised 3 independent directors from all of 7 Board of Directors. This mechanism was good balance of power caused the Company to have potential to manage and had transparency to manage through mechanism of internal control system including the Company had set authority and table of authorities to be several levels following appropriate range or financial limit. Moreover, the Company considered important policy about Principles of Good Corporate Governance by setting methods to do good corporate governance effectively and these methods must be followed strictly.

Shareholding Structure

Amount of registered capital and paid-up capital

Firetrade Engineering Public Company Limited was the listed company of the Stock Exchange of Thailand (SET). FTE details of registered capital and paid-up capital as at December 31, 2017 were as follows;

Registered capital and paid-up capital : Baht 300,000,000 million;
Common shares in the amount of
600,000,000 shares
Par value of 0.50 baht per share

Fire Inspector Company Limited (subsidiary company) details of registered capital and paid-up capital as at December 31, 2017 were as follows;

Registered capital and paid-up capital : Baht 2,000,000 million ;
Common shares in the amount of
20,000 shares
Par value of 100 baht per share

Shareholder

Top 10 of major shareholder lists appeared in Book of shareholders' registration on book record date on December 29, 2017 were as follows;

No.	Name	Number of shares	% Shareholding
1.	Mr. Taksin Tantipijit's group	387,841,000	64.64
	1.1 Mr. Taksin Tantipijit	230,336,400	38.39
	1.2 Miss Paphanan Tantipijit ^{/1}	66,075,000	11.01
	1.3 Mrs. Pattamaporn Tantipijit ^{/2}	46,902,400	7.82
	1.4 Mr. Piyawach Tantipijit ^{/1}	44,527,200	7.42
2.	Mr. Banpote Jumroonrojana	31,500,000	5.25
3.	Mr. Suepphong Phiriyadamrongwut	10,020,000	1.67
4.	Thai NVDR Company Limited	8,223,300	1.37
5.	Miss Malinee Charoenkitpan	6,758,400	1.13
6.	Mr. Punnapop Attachaipanich	3,693,400	0.62
7.	Mr. Ittipol Lertpong	3,674,800	0.61
8.	Mrs. Nattanee Romsaitong	3,019,100	0.50
9.	Mr. paiboon Siripongwichet	3,011,700	0.50
10.	Nomura PB Nominees Company Limited	3,000,000	0.50
11.	Others	139,258,300	23.21
	Total	600,000,000	100.00

Remark : 1) Miss Paphanan Tantipijit and Mr.Piyawach Tantipijit were children of person no.1.1 and no. 1.3.

2) Mrs. Pattamaporn Tantipijit was spouse of person no.1.1.

Shareholding structure of Fire Inspector Co., Ltd as at December 31, 2017 were as follows,

No.	Name	Number of shares	% Shareholding
1.	Firetrade Engineering Public Company Limited	19,998	100.00
2.	Mr.Taksin Tantipijit	1	<0.01
3.	Mr.Krisada Lehavanich	1	<0.01
Total		20,000	100.00

The Board of directors' securities holding

Changing of the Board of directors and executives' securities holding during year 2017 were as follows;

No.	Committee and directors	Number of shares		Remark
		As at Dec 31, 2016	As at Dec 31, 2017	
Board of Directors				
1.	Mr.Pornsak Limboonyaprasert	0	0	- No change -
2.	Mr.Taksin Tantipijit	228,147,600	230,336,400	2,188,800 plus
3.	Mr.Sirichai Towiriyawate	0	0	- No change -
4.	Mr.Worapon Lopansri	0	0	- No change -
5.	Mrs. Pattamaporn Tantipijit	46,902,400	46,902,400	- No change -
6.	Miss Suwanee Chenchitkhachorn	0	0	- No change -
7.	Miss Pen Yodkliang	0	0	- No change -
Total		275,050,000	277,238,800	
Executive Committee				
1.	Mr.Taksin Tantipijit	228,147,600	230,336,400	2,188,800 plus
2.	Miss Suwanee Chenchitkhachorn	0	0	- No change -
3.	Mr.Prakit Komkhum	0	0	- No change -
4.	Miss Pen Yodkliang	0	0	- No change -
5.	Mr. Prapan Chitrcharoenchai	0	60,000	60,000 plus
6.	Mr. Boonlert Santiworanart	0	0	- No change -
7.	Mr. Niran Uamaram	0	0	- No change -
8.	Ms. Khanita Khetarun	0	0	- No change -
Total		228,147,600	230,396,400	

Dividend Policy

The Company has a dividend policy of no less than 40 percent of net profit, after the deduction of all legal reserves based on Separated Financial Statement as required by the law. Dividend payout may be subject to changes, depending on cash flow, investment plan, legal conditions. The Company considers all related factors and needs in the future to ensure that dividend payout does not affect normal business operations. The resolution of the Board of Directors on dividend payment must be submitted to shareholders' meeting for approval, except for interim dividend payout which must be approved by the Board of Directors and then reported in the next shareholders' meeting.

The subsidiary company would consider dividend policy proposed by the Board of Directors by regarding its performance and other factors.

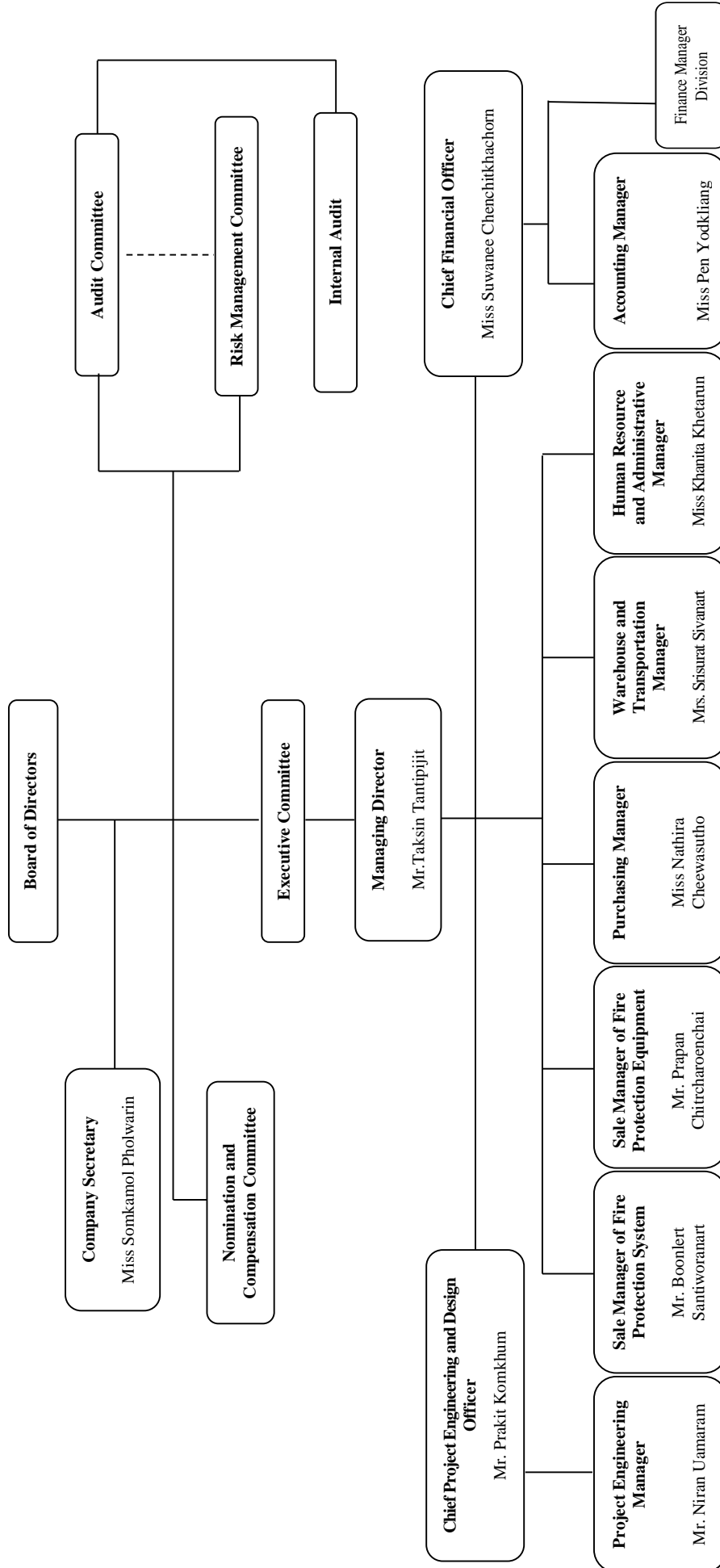
Dividend Information		Year 2016	Year 2017 ¹
Interim dividend	Million Baht	0.00	60.90
Yearly dividend	Million Baht	346.02	75.60
Total dividend	Million Baht	346.02	136.50
Dividend payout ratio (Separate Financial Statements) after deducting legal reserves	%	528.61	99.76
Par Value	Baht per share	0.50	0.50
Totaling ordinary shares	Million shares	450	600

Remark: - ¹ The Board of Directors to approve the dividend distribution for the year 2017 resolved to propose annual ordinary meeting of shareholders of year 2018 for Baht 136.50 Million.

- Individual ordinary shareholders may request a tax credit at rate of 20/80 of the dividend payment pursuant to the guidelines set forth in Section 47 bis of the Revenue Code.

Management Structure

Organization Chart as at December 31, 2017



Remark: All were the Board of Directors according to the Announcement of committee, the Securities and Exchange Commission except company secretary and Finance Manager Division.

Board of Directors

As of December 31, 2017, the Company's Board of Directors consists of 7 members as follows;

No.	Name	Position
1.	Mr. Pornsak Limboonyaprasert	Chairman of the Board of Directors / Chairman of the Audit Committee / Independent Director / Nomination and Compensation Committee
2.	Mr. Taksin Tantipijit	Vice Chairman of the Board of Directors / Nomination and Compensation Committee / Chairman of the Risk Management Committee / Managing Director
3.	Mr. Sirichai Towiriyawate	Director / Audit Committee / Independent Director / Chairman of the Nomination and Compensation Committee
4.	Mr. Worapon Lopansri	Director / Audit Committee / Independent Director
5.	Mrs. Pattamaporn Tantipijit	Director
6.	Miss Suwanee Chenchitkhachorn	Director / Risk Management Committee
7.	Miss Pen Yodkliang	Director

The Company Secretary is Miss Somkamol Pholwarin.

Authorized Directors

Authorized Directors who shall sign on behalf of the Company with the Company's seal affixed are Mr.Taksin Tantipijit or Mrs.Pattamaporn Tantipijit with the signature of Miss Suwanee Chenchitkhachorn or Miss Pen Yodkliang

Factors of the Board of Directors

The Board of Directors must have factors as follows;

1. The Board of Directors must consist of not less than 5 persons and not less than half of all committee must live in Kingdom of Thailand.
2. The Board of Directors must consist of independent director s at least one-third and not less than 3 persons. The qualification of independent director must be following standard of SET.
3. The Company's directors selected one director from committee who isn't executive to be Chairman of the Board of Directors.
4. The Board of Directors selected one person to work as the Board of Directors' secretary and he/she could also be director or not.

Scope of Duties and Responsibilities of the Board of Directors

1. Work with responsibility, carefulness, honesty and consider benefits of the Company carefully and perform following laws, objectives and regulations of the Company including shareholder's resolution.
2. Have duty on setting vision, policy and operation of the Company including supervise the Executive Committee to operate along specified policy effectively with effectiveness to add highest economic values to shareholders and also sustainable growth.
3. Be always responsible for shareholders. Operate business to maintain benefits of shareholders. Reveal important information to the investors correctly, completely with standard and transparency.
4. The Company's Board of Directors must be knowledgeable and have experiences that would be benefits for running business and are also interested in their Company's operation truly.
5. Evaluate work performance and set compensation of committee and Executive Committee.

6. Be responsible for turnover and performance of the Executive Committee to have intention and work carefully.
7. Control to have clear business target setting that could be measured to be method to set target in operation by considering probability and rationale.
8. Control to run business and operation ethically.
9. Control the Executive Committee to have system to manage risk appropriately and effectively.
10. Consider and judge in important cases such as mega project's policy and business plan, administrative authority and others as specified by law. In case of decision about the acquisition and disposition of assets or related lists, the Board of Directors must follow notification, regulation and/or related rules of the Securities and Exchange Act, notification of the Securities and Exchange Commission and notification of the Stock Exchange of Thailand except that transaction must be approved by shareholder's meeting, the Board of Directors couldn't approve that transaction.
11. Set authority and level of approval in transaction and operating related to Company's work to the group or person appropriately and legally by doing manual of authority and it must be revised at least 1 time per year.
12. Set accounting system of financial report and accounting audit reliably including provide procedure to evaluate suitability of internal control.
13. Appoint auditors and consider yearly audit fees to propose shareholders to consider and nominate.
14. Report responsibility of the Board of Directors in doing financial report by showing it with auditor report in annual report including important matters following code of conduct for Board of Directors of listed company of SET.
15. Control sub-committee performance to work consistent with charter specified.
16. The Board of Directors must evaluate performance by themselves and also evaluate overview of performance.

However, the committee who has gain and loss or conflict of interest or any benefits with the Company, he/she can't vote in that case.

The Board of Director Nomination and Term of Holding

The election of the Board of Directors must be done in shareholder's meeting following regulation as follows;

- 1) One share equals one vote.
- 2) Vote for a director or several directors could be used in election of the Board of Directors as the shareholder's meeting think fit. In each vote, the shareholders must vote with their all vote according to the clause 1 and they can't divide their vote to several candidates. The shareholder can't separate their vote in election according to Section 70 Paragraph 1 of Public Limited Companies Act B.E. 2535 (Non-cumulative vote only).
- 3) Majority vote is used in voting the Board of Directors. If the vote is equal, the Chairman will have casting vote.
- 4) The Board of Directors will hold the positions for 3 years. One year period is from the date of shareholder's ordinary meeting that the Board of Directors is nominated to the date of shareholder's ordinary meeting in next year. The directors who vacate could be re-elected. Besides retiring by rotation, the directors must retire when;
 - (A) Die
 - (B) Resign
 - (C) Be lack of qualification or having qualification prohibited by Public Limited Companies Act.
 - (D) The meeting votes to retire
 - (E) The court orders to retire
- 5) When some directors resign, they could submit their letter of resignation to the office registrar as well.

- 6) The Board of Directors who would be the director of other company must be approved from the Company's Board of Directors.

The Meeting of the Board of Directors

The Meeting of the Board of Directors is as follows;

- 1) The Board of Directors must hold meeting to be informed the Company's operation at least every 3 months. The directors must show their opinions and use discretion independently. The directors should participate in every meeting, besides there is some force majeure that must be informed to the secretary of the Board of Directors in advance, the Company must report the frequency of meeting attending of each director in annual report. The schedule of meeting must be informed in advance and the secretary of the Board of Directors must send invitation letter to all directors to know details of meeting date and agenda. Invitation letter must be sent in advance at least 7 days and the secretary must collect related documents from directors and managing department to send to directors and those documents must give enough information to help the Board of Directors to decide and use discretion independently. The secretary of the Board of Directors must be recorder of the meeting to do the meeting report with complete contents within 15 days the meeting finished to propose to the Chairman of the Company to sign. The good storage system must be provided for easy finding and confidentiality.
- 2) The Board of Directors who has gain and loss in some agenda couldn't vote for that agenda.
- 3) Majority vote must be used in the Board of Directors' meeting. In case that the vote is equal, the Chairman must have casting vote. However, the opinion of other director that disagrees with resolution must be noted in meeting report.

Terms and Attendance Record of the Board of Directors and Board Committees as of December 31, 2017

Name	Year 2017		
	Board of Directors	Audit Committee	Nomination and Compensation Committee
1. Mr. Pornsak Limboonyaprasert	4/4	4/4	1/1
2. Mr. Taksin Tantipijit	4/4	-	1/1
3. Mr. Sirichai Towiriyawate	4/4	4/4	1/1
4. Mr. Worapon Lopansri	4/4	4/4	-
5. Mrs. Pattamaporn Tantipijit	4/4	-	-
6. Miss Suwanee Chenchitkhachorn	4/4	-	-
7. Miss Pen Yodkliang	4/4	-	-

Management Team

As of December 31, 2017, the Company's Management Team consists of 10 members as follows;

No.	Name	Position
1.	Mr.Taksin Tantipijit	Managing Director
2.	Miss Suwanee Chenchitkhachorn	Chief Financial Officer
3.	Mr. Prakrit Komkhum	Chief Project Engineering and Design Officer
4.	Miss Pen Yodkliang	Accounting Manager
5.	Mr. Prapan Chitcharoenchai	Sale Manager of Fire Protection Equipment
6.	Mr. Boonlert Santiworanart	Sale Manager of Fire Protection System
7.	Mr. Niran Umaram	Project Engineering Manager
8.	Miss Khanita Khetarun	Human Resource and Administrative Manager
9.	Mrs. Srisurat Sivanart	Warehouse and Transportation Manager
10.	Ms. Nathira Cheewasutho	Purchasing Manager

Remark: - Mr. Prakrit Komkhum resolved to appoint as the member of the Executive Committees on May 12, 2017.

Scope of Duties and Responsibilities of the managing director

- (1) Control business operation, plan strategy in operation and manage daily works of the Company.
- (2) Judge the important matters of company, set Company's mission, objectives, method, policy and control administration in work line.
- (3) Have authority to supervise, contact, order and sign in contract, order or other documents specified in manual of authority.
- (4) Have authority to employ, nominate and dismiss person as he/she thinks fit including setting range of appropriate authority and compensation. The managing director could discharge staffs in various levels appropriately as specified in manual of authority.
- (5) Have authority to set commercial conditions for Company's benefits.
- (6) Consider investment in new business or cancel business before proposing to the administrative committee and/or Company's the Board of Directors.
- (7) Take action following assignment from Company's the Board of Directors and/or the administrative committee.

However, to assign duties and responsibilities of Executive Committee as above will not include authority and/or giving sub-attorney to approve any transaction that they or sub-attorney person or person with conflict (as defined in announcement of the Capital Market Supervisory Board) having gain and loss or other benefits resistant with the Company. The transaction approval in that case must be proposed to the Board of Directors' meeting and / or shareholder's meeting (up to case by case) to consider and approve that transaction according to the Company's regulation or related laws.

The Company Secretary

As specified in Section 89/15 of Public Limited Companies Act B.E.2535, it specifies that the Company's Board of Directors must provide company secretary responsible on behalf of company or the Company's Board of Directors. The No.6/2016 meeting of Company's Board of Directors had resolution on July 8, 2016 to appoint Miss Somkamol Pholwarin to be the Company secretary and had duties and responsibilities as follows;

- 1) Do and restore documents as follows;
 - (A) The registration of committee
 - (B) The invitation letter to make an appointment with the Board of Directors, meeting report of committee and Company's annual report
 - (C) The invitation letter to make an appointment with the shareholders and meeting report of shareholders
- 2) Keep documents of gain and loss reported by the Board of Directors or Executive Committee.
- 3) Send copy documents of gain and loss following Section 89/14 to notify Chairman of the Board of Directors and Chairman of Audit Committee within 7 days from the date the Company has received those documents. The Company must provide document storage system or related evidences that show information and take care to provide storage correctly, completely and verifiably within not less than 10 years from the date the document or information done.
- 4) Act others as the Capital Market Supervisory Board, the Securities and Exchange Commission specified.

The performance principle of company secretary

The Company secretary must work with responsibility, carefulness, and honesty including performing following law, objectives, regulation of the Company, resolution of the Board of Directors and resolution of the shareholders by;

- 1) The decision must be made on sufficiently reliable information.
- 2) The decision is made by the secretary with no gain and loss directly or indirectly in that decided case.
- 3) Perform honestly for highest benefits of the Company
- 4) Perform with legal and appropriate objectives and do not perform be in conflict significantly with the Company
- 5) Do not seek any benefits from using information of the Company except that is information publicly available or use assets or business chances of the Company to violate rules or general principles as specified by the Capital Market Supervisory Board.
- 6) Do not make any agreement or contract that may cause of conflict of interest with company, staff or Company's customers and this action is opposed to secretary's performance.

In Case the Company Secretary has retired or can't work

The methods are set in case that the Company secretary has retired or can't work are as follows;

- 1) The Board of Directors must appoint new company secretary within 90 days from the date the old company secretary has retired or can't work.
- 2) The Board of Directors could give authority to one of the director to act as company secretary in the period that the Company secretary has retired or can't work.
- 3) The Chairman of the Board of Directors must inform the name of company secretary to the Securities and Exchange Commission within 14 days from the date new responsible person is provided.
- 4) To inform the Securities and Exchange Commission to know document storage place according to the duties and responsibilities of the Company secretary.

Compensation as money

A. The Company's Board of Directors

➤ Attendance Fee

The ordinary meeting of shareholders of the year 2017 that was held on March 10, 2017 had approved compensation for the Board of Directors in amount not over than Million 2.00 Baht per year by setting attendance fee by position as follows;

Position	Meeting Allowance (Baht/Meeting)
Chairman of the Board of Directors	15,000 Baht
Vice Chairman of the Board of Directors / Director	10,000 Baht
Chairman of the Audit Committee	15,000 Baht
Audit Committee	10,000 Baht
Nomination and Compensation Committee	5,000 Baht (Independent Director only)
Risk Management Committee	5,000 Baht (Independent Director only)

In the year 2017, the Board of Directors and Board Committees have received the meeting allowance as follow;

(Unit : Baht)

No.	Name	Year 2017			
		Director	Audit Committee	Nomination and Compensation Committee	Total
1.	Mr. Pornsak Limboonyaprasert	60,000	60,000	5,000	125,000
2.	Mr. Taksin Tantipijit	40,000	-	-	40,000
3.	Mr. Sirichai Towiriyawate	40,000	40,000	5,000	85,000
4.	Mr. Worapon Lopansri	40,000	40,000	-	80,000
5.	Mrs. Pattamaporn Tantipijit	40,000	-	-	40,000
6.	Miss Suwanee Chenchitkhachorn	40,000	-	-	40,000
7.	Miss Pen Yodkliang	40,000	-	-	40,000
Total		300,000	140,000	10,000	450,000

B. Executives Remuneration

Executive Remuneration	Year 2016		Year 2017	
	Executives (person)	Million Baht	Executives (person)	Million Baht
Salary, Commission and Bonus	9	10.81	10	13.45
Social Security	9	0.08	10	0.09
Provident Fund	9	0.33	10	0.39
Total	9	11.22	10	13.93

Remark : - The Company established a provident fund for its employee since on December 1, 2007 and the fund is managed by BBL Asset Management Co., Ltd. Contributions are made monthly at the rate of 3% - 5% of their basic salaries and working life.

Number of Employees

The Company and its subsidiary – Fire Inspector Company Limited (FIS) have number of employee as follows;

Category/Department/Division	Total (Person)			
	31 December 2016		31 December 2017	
	FTE	FIS	FTE	FIS
Executive Committees	9	-	10	-
Employees				
Purchasing	7	-	8	-
Accounting and Finance	20	-	21	-
Human Resource and Administrative	5	-	6	-
Information and Technology	3	-	3	-
Sale of Fire Protection System	23	5	24	6
Sale of Fire Protection Equipment	19	-	21	-
Warehouse and Transportation	22	5	26	-
Engineering - Designing	11	-	14	-
Engineering - Project	16	-	19	-
Engineering - Service	23	1	27	-
Total	158	11	179	6

Employee Remuneration

The Company and its subsidiary - Fire Inspector Company Limited (FIS) have employee remuneration obligations as follows;

Employee Remuneration	(Unit : Million Baht)			
	31 December 2016		31 December 2017	
	FTE	FIS	FTE	FIS
Salary, Commission, Allowance, Overtime pay, and Bonus	76.15	5.43	90.07	4.33
Social Security	1.29	0.11	1.45	0.05
Provident Fund	1.45	0.09	1.69	0.11
Total	78.89	5.63	93.21	4.49

Remark : - The Company and its subsidiary established a provident fund for its employee since on December 1, 2007 and the fund is managed by BBL Asset Management Co., Ltd. Contributions are made monthly at the rate of 3% - 5% of their basic salaries and working life.

Major Labor Dispute in the past 3 years

-None-

Human Resource Development Policy

The Company and its subsidiaries are aware of importance of staff development to support knowledge to staffs to increase ability and potential in working by setting staff development plan as the yearly training plan to train for increasing work skills such as internal company training, knowledge training, understanding of sale products and sending staffs to train in outside institutes related to work for giving knowledge to Company's staffs continuously including providing welfare in several formats to staffs for creating morale of staffs in long-term working.

Corporate Governance

1. Good Corporate Governance Policy

The Board of Directors has code of best practices for directors of listed company including setting good corporate governance policy and performs following principles and methods related to corporate governance to create efficiency and effectiveness in managing work and cause fairness to every parties related to the Company as explainable as follows;

Section 1: Rights of Shareholders and Equitable Treatment of Shareholders

1. Rights to trade or transfer shares and acknowledge correct, complete, transparent information such as Company's performance, important information in period and key information following event revealed via Company's website and information technology system of SET both Thai and English versions to provide shareholders information thoroughly.
2. Rights to join shareholder's meeting, vote in shareholder's meeting and getting allocation form profit/dividend equally including having rights to get fair practice in Company's share redemption (if any).
3. Rights to give a proxy: The Company gives a chance to shareholders who can't join the meeting to give proxy to others by using form set by Department of Business Development, Ministry of Commerce and facilitates to the principal to give a proxy to independent directors to work as principal's intention. However, the Company will attach independent directors' details with invitation letter and publicize via Company's website.
4. Rights to join in shareholder's meeting all the time of meeting and vote in shareholder's meeting except in any agenda the shareholders have some gain and loss particularly. Moreover, the Chairman of the meeting gives a chance to the shareholders to show their opinions and ask in the meeting and also note issues in meeting report to let absent shareholders know.
5. Rights to make decision in important issues in shareholder's meeting aside from duties that are assigned authority to the Board of Directors to manage such as approval the last meeting report of the shareholders, yearly financial statement approval, considering to allocate profit and dividend payment / non-payment, committee election to replace of the committee that retires by rotation, setting compensation in format of the attendance fee, bonus / pension and other benefits of the Board of Directors, appointing Company's Audit Committee and setting audit fee including considering related transaction and significant asset acquisition and deposition.
6. In every shareholder's meeting, the Company provides independent directors without gain and loss with the Company and/or institute agents to check shareholder's documents, count a quorum, count a vote, examine resolution and result of vote to run the meeting transparently following the law and Company's regulation.
7. The Company will not increase agenda or change key information by not notifying shareholders in advance before shareholder's meeting.
8. The Company facilitates and supports shareholders including institutional investors to join shareholder's meeting. The Company chooses meeting place that shareholders could come to join comfortably.

Rights to Get Information from Shareholders

1. The Company makes invitation letter with agenda details and the Board of Directors show their opinions clearly in each proposed agenda in shareholder's meeting invitation including showing rules and steps to join meeting by sending invitation letter to the shareholders in advance at least 7 days or 14 days before meeting and it is publicized on Company's website.

2. Rights to know information and details of electing committee agenda. The invitation letter has identified names and profiles of each committee proposed to be candidates, type of proposed committee, and information of meeting attending in last year, the date they had nominated to be Company's directors. The Company proposes the directors' name to the shareholders to vote individually and give shareholders a chance to elect needed committee.
3. Rights to know information and details of electing Audit Committee and set audit fee in the invitation letter by setting Audit Committee, the Company to belong, experience of Audit Committee, freedom of Audit Committee and service fee of Audit Committee as specified clearly.
4. Rights to get notification about steps of vote in resolution, using ballot and counting vote in each agenda before starting shareholder's meeting clearly.
5. To be transparent and verifiable in the shareholder's meeting, ballot would be used in every agenda of meeting and the Company could use computer system to register and vote resolution of shareholders to increase speed and accuracy.
6. Rights to know the board of director's resolution about details of meeting, the date to set shareholder names to join the meeting and have right to get dividend and agenda of the meeting in advance before the meeting date by revealing information via Company's website and information of SET after the Company had be listed company of SET.
7. After the meeting of shareholders, the Company does meeting report of the shareholders and the amount of vote both, agreed, disagreed and abstained vote and sends copy of full meeting report within 14 days from the meeting day of shareholders to the Securities and Exchange Commission and SET and to publicize information via Company's website including give a chance to the shareholders to show their opinions and inquire in the meeting as details noted in meeting report of shareholders.

Right to propose agenda of ordinary meeting of shareholders and propose name of person to be elected as the Company's Board of Directors

The Company supports the shareholders to propose the case to maintain in meeting agenda and propose person to be elected as Company's the Board of Directors including have a chance to show their opinion and inquire questions to the board of director in related case with company in advance not less than 1 month before ordinary meeting of shareholders according to regulation the Company set and publicize via the Company's website.

Rights to join in ordinary meeting of shareholder of the Board of Directors and Board Committees

1. The Company promotes and supports the Chairman, the Board of Directors, Executive Committee and Directors of the Company to join in every shareholder's meeting to meet and answers the shareholders.
2. The Company promotes and supports the Chairman of the Board Committee to join in every shareholder's meeting to answer shareholders in the issues related to board committee.

Section 2: Roles of Stakeholder

The Company is aware of right of stakeholder in every group equally both outside stakeholder that comprises shareholders, customers, competitors, creditors, society, community, environment and related government sectors including internal stakeholder that comprises staff of the Company because that stakeholder is the key mechanism that could develop and create success to the Company. This is considered as supporting operation of the Company to grow continually and sustainably.

Then the Company does policy of corporate governance and stakeholder's regulation in each group in the code of conduct to create good understanding to every stakeholder and create good regulation for the board of director, the Executive Committee and all level of staff. In order that the Company also publicize via its website as follows;

Shareholders: Besides consider to standard benefits of shareholders that are equal, the Company also set the methods to work consistent with good corporate governance. The Company reveals information correctly and transparently and has internal control and risk management, anti-corruption policy and channel to contact with company adequately to ensure the shareholders that the Company would run business transparently to create security growth and compensation to the shareholders in long-term.

Customers: The Company aims to create highest pleasure to the customers by developing quality of goods and services with quality and eco-friendly continuously including having raw material selection and standard processing to ensure the customers would get better goods and service with quality in reasonable price. Moreover the Company also surveys customer's satisfaction and adds channel the customers could complain the Company through company's website and the Company will keep complaint information secretly and if that complaint has significant, it would be proposed to the Board of Directors to find the way to manage as well.

Business Partner: The Company is aware of equality in running business on the basis of fairness and mutual benefits. The process to select business partner is to set steps, methods to select business partner clearly with fairness and transparency by considering fame, standard and good corporate governance including doing contract with fair and legal conditions. Moreover the Company has policy not to accept money, assets or other benefits from business partner and not encourage illegal business partner related to corruption or human rights violation.

Competitor: The Company runs the business according to the fair rule framework by considering advocacy law and ethics in running business, anti-corruption or not destroy competitor's reputation or searching secret business information of the competitor by using illegal methods directly and indirectly.

Creditor : The Company performs to every creditors with equality and fairness by performing following condition, agreement and contract strictly to ensure the creditor about financial status of the Company and complete solvency within due date. In case that there are some changes in condition, agreement and event affected to solvency. The Company will tell the creditor to find the way or method to resolve problems together.

Community, Society and Environment: The Company is concentrated in operation considered the effect to community, society and environment by giving priority to social activities and community that the Company runs business by giving importance to policy of health, security and environment. However, the Company supports the Executive Committee and staffs in all level to use resources effectively, worthy and working with conscious mind of safety and considering to environment and stakeholder along with the growth of the Company sustainably.

Staff: The Company believes that staff is important resource of the Company because staff is the part of Company's success. The Company still gives important to respect for human rights by serving to all level of staff and stakeholder with equality and not separate by reason of diversity in race, religion, gender and culture without standard human right violation. Also the Company performs following labor law, having fair employment, doing work contract with fair condition, having compensation structure consistent with ability and responsibility in position and having system of wage, compensation and benefit payment of staff appropriate, finding good welfare suitable with company status to the Executive Committee and staff, caring environment in working to have safety for life, health and asset, allowing the staff to take leave, transferring following suitability and providing communication channel between staff and Executive Committee including supporting development process and accumulating knowledge skills by providing training following position both inside and outside company

necessarily and suitably to be development and reinforcing ability of staff continually and regularly. However, the Company focuses on respect for human rights, every staff must be serve equally and will not discriminate for some staff by using private relationship.

Government Sector : The Company insists on supporting government sector operation and performs following rules and policy of controlling institute along with promoting and supporting to have cooperation in several activities of state agency to reinforce security and growth to nation including giving importance about intellectual property or copyright work by operating company under the law or regulation about right in assets, won't act or support to act as violating intellectual property such as copyright, patent, trade secret, trademark, information, trade name and geographical indication and every kind of intellectual property by setting policy that the Executive Committee, staff and employee must be perform following it to run business transparently, fair and verifiable. In addition, the business won't do any business with juristic person or person who violates every kind of intellectual property.

Section 3: Disclosure and Transparency

The Company focuses on information disclosure along the path of SET in revealing correct, complete and transparent information and then every stakeholder, investor, related analyst including anyone interested to acknowledge information details equally in revealing information following accounting period and event both in Thai and English versions as follows;

1. Company's important document, policy of corporate governance, business code of conduct, Company's certificate, Company's regulation, memorandum of association, invitation letter of shareholder's meeting and meeting report of shareholders.
2. Financial information and having responsibility report of the Board of Directors to financial report shown together with Audit Committee's report, Executive Committee's analysis, general information and key information in annual report and annual registration statements form correctly, completely and updated and following regulation of the Securities and Exchange Commission.
3. The structure of committee, role and duty of the Board of Directors and board committee, the number of meeting and the number of attending in meeting of each committee.
4. Compensation of the committee, managing director and Executive Committee compared with the same level in the same industry, experience, duty, scope of role and responsibility for compensation of managing director and Executive Committee following regulation and policy set by the Board of Directors within framework approved from shareholder's meeting and to consider to highest benefits of the Company. The Nomination and Compensation Committee would consider and screen that compensation before submitting to the Board of Directors and shareholder's meeting by considering from performance and self-evaluation of the Board of Directors, individual Director, Board Committee and Managing Director.
5. Conflict of interest of the Board of Directors, Executive Committee and related person in case of first holding office or when having information change, the Company secretary must prepare conflict of interest report form for the committee and copy that report sending to the Chairman of the Board of Directors and the Chairman will examine within 7 days from the date he has gotten that report.

However, the Company always adjusts the information consistent with present situation of the Company and publicizes key information via communication channel as Company's website and information system of SET.

Section 4: Board Responsibilities

The Company's Board of Directors as the representatives of the shareholders have important duties on setting vision, mission, policy and making decision about Company's policy and strategy, following and examining performance of Executive Committee to be consistent with policy and strategy for highest benefits of the shareholders including performance of business comparing with action plan. Then the board must consist of experts with various knowledge, ability and experience that could bring their experiences to develop and set policy that would be benefits for business operation.

Moreover, the Board of Directors must focus on revealing information adequately to shareholders, investors and related parties. That revealed information must be correct, complete, transparent and update including financial report, performance, other related information including information affected to Company's asset value according to good corporate governance by publicizing information and other news for shareholders, investors and related parties to use with decision making via several channels such as sending document by mail, revealing information via Company's website and information system of SET.

The Structure of the Board of Directors

The Company's Board of Directors sets the structure of the board to comprise various qualifications of the committee in aspect of gender, skill, experience and useful and adequate abilities to work potentially. The Company has 7 directors and three are independent directors and it is one-thirds of the whole directors to balance the directors and the qualification of the independent directors must follow regulation set by the Securities and Exchange Commission in Clause 16 of the Capital Market Supervisory Board announcement No. ThorJor. 39/2559. The Board of Directors assigns board committee such as Audit Committee, Nomination and Compensation Committee, Risk Management Committee and Executive Committee. Anyway, the Company had done charter for 4 groups of Board Committee and publicized via Company's website.

Code of Conduct in running business

The Company's Board of Directors supported to have code of conduct in running business for the directors, Executive Committee and staffs to hold and perform and it deems to be mutual duties and responsibilities for highest benefits to Company's stakeholders including creating reliability to run business to make the Company grows sustainably.

Risk Management Policy

The Board of Directors set the risk management policy covered all organizations by starting from risk identified process, risk evaluation including creating risk standard to prevent risk management potentially and all the time.

The Methods to set compensation for directors and Executive Committee

The Company has process to set clear and transparent compensation by Nomination and Compensation Committee will set compensation for the Board of Directors and Executive Committee to propose for getting resolution from the meeting of the Board of Directors and asks for approval of shareholder's meeting that would consider appropriateness to set compensation of directors from Company's financial status, scope of the Board of Directors, responsibility of the board of director or each Executive Committee to be in level that could persuade and keep the expert directors to work with the Company and could compare with the compensation of the directors in the same or similar industry. Every directors understand their responsibility as the Company's committee and ready to show their opinions independently and adjust themselves update including work with honesty and carefulness and cautiousness

by considering to highest benefits of the Company and to be fair to every shareholders. Moreover, every committee are also devote their time to work responsibly and adequately including holding this regulation when join meeting of the Board of Directors except there is some necessary reason.

Succession Plan

The Company realizes the importance of running business potentially and continually then it sets policy and regulation of selecting Executive Committee and succession plan by having transparent process that considers from knowledge, ability including experience and ethics as follows;

- 1) Set key position to run business in each line/part/department.
- 2) Set qualification of the committee that would be successor.
- 3) Set Executive Committee in each part/institute that have qualification and ready to succeed.
- 4) Set name list and staff in each level with high potential that has a chance to be successor in next time.
- 5) Set to develop Executive Committee that is specified including staff and high potential Executive Committee to prepare himself/herself.
- 6) Revise and doing annual report to propose to the Board of Directors.

Section 5: Internal Control and Risk Management

Internal Control and Internal Audit

The Company focuses on internal control system and internal examination then assigns Audit Committee to control internal control system and internal examination, to revise adequateness of the internal control system, to analyze and manage internal control including developing work system on internal examination, internal control management and internal examination work to have potential and appropriateness for the Company including controlling conflict of interest, preventing corruption or misconduct to help Company's operation running effectively and also be support institute for company to perform following good corporate governance, code of conduct in operation, regulation and related law. Moreover, the Company provides monitoring mechanism and balance by internal monitoring institute under the Audit Committee to ensure they will have independence to monitor, evaluate effectiveness and adequateness of internal control system.

Risk management

The Company focuses on risk management tends to occur in business operation from internal and external factors. Because it is key mechanism to take the Company reaches the aim and mission as specified in strategies. Because of these reasons, the Board of Directors assigns the Risk Management Committee to control risk management of the Company following aim, to set policy, risk management measure for the Executive Committee and staffs in every levels to hold, evaluate and manage risk occurred from Company's operation such as risk of strategies, risk of practices, risk of finance, money risk, information risk, politics and disaster risk, then report to the Board of Directors to know and seek methods and ways to manage risk to adjust effectively.

Section 6: Avoidance in Conflicts of Interest

The Board of Directors have policy to prevent transaction that could have conflict of interest by setting policy forbidding the Board of Directors, Executive Committee and every level of staffs. Seeking private benefits that could conflict with Company's benefits or key transaction such as related transaction by setting policy, practices and considering process, procedure to consider and approved transaction. The Board of Directors must perform following internal control system about related transaction and the regulation of the institute controlled listed company and related law.

Section 7: Ethics to Run Business and Code of Conduct

The performance following standard of highest ethnics to other stakeholders is the important thing to create image and reputation of the Company. The Board of Directors could have regulation of code of conduct to help the Board of Directors, the Executive Committee and staffs to hold as manual with responsibility, honesty, fairness, virtue in profession and performing following rules and regulations to create confidence and reliability to all group of stakeholder and related persons.

In the part of investor relation, the Company hadn't set the agency but had been assign to Mr. Taksin Tantipijit, the managing director to responsible for contracting with investor, shareholders, analyst and related persons that could contact at telephone No. 02-641-4707-12. Moreover the Company has a plan to set investor relationship center to be special institute for caring and responsible for future investor relationship.

2. Sub-Committees

The structure of the Board of Directors comprises 4 of Sub-Committees groups such as Audit Committee, Executive Committee, Risk Management Committee and Nomination and Compensation Committee.

Then the annual meeting of shareholder year 2016 on April 29, 2016 and the Board of Directors' meeting No. 1/2559 (after registering for transformation) on August 11, 2016 had resolution to scope duties and responsibilities of other Board of Directors as follows;

1. Audit Committee

As of 31 December 2017, the Audit Committee consists of 3 Directors as follows;

No	Name	Position
1.	Mr.Pornsak Limboonyaprasert	Chairman of Audit Committee / Independent Director
2.	Mr.Sirichai Towiriyawate	Audit Committee / Independent Director
3.	Mr.Worapon Lopansri	Audit Committee / Independent Director

Remark:- Audit committee with knowledge and experience in verifying reliability of financial statement is Mr. Pornsak Limboonyaprasert who graduated from Faculty of Commerce and Accountancy, Chulalongkorn University.
 - Secretary of Audit Committee is Miss Somkamol Pholwarin.

Qualification of Audit Committee

The Audit Committee must have qualification as follows

- (1) Be appointed from the Board of Directors.
- (2) Have qualification as specified in Public Law, Securities and Exchange Law and regulation of SET comparing with qualification of the independent director as follows;
 - (A) Holding not more than 1% of the total number of shares with the voting rights of the Company, parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company. In this case, for the purpose of calculation, the number of shares held by the related person of each member of the Audit Committee shall also be included.

- (B) Neither being a director who takes part or used to take part in management, nor being or used to be an employee, staff, an advisor who receives regular salary, nor the controlling person of the Company, parent company, subsidiaries, associated companies, major shareholders or the controlling person of the Company, unless such director has resigned from such position for at least 2 years before the day the Company submits permission from Securities and Exchange Commission. However, that incompatibility qualification is not including in case that the independent director has ever been government officer or consultant of government department that is major shareholder or controlling person.
- (C) Not being a blood-related person nor legally related as father, mother, spouse, brother, sister and children, including being the spouse of the children of the executives, major shareholders, controlling persons or the persons who will be nominated as the executive or controlling person of the Company or subsidiaries.
- (D) Neither having, nor used to have any business relationship with the Company, parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company in the manner that may obstruct the exercise of independent judgment as a member of the Audit Committee. Moreover, a member of the Audit Committee must neither being, nor used to be a key shareholder or controlling person of the entities having business relationship with the Company, parent company, subsidiaries, associated companies, major shareholders, or the controlling persons of the Company, unless such director has resigned from such position for at least 2 years before the day the Company submits permission from Securities and Exchange Commission.

The term 'business relationship' aforementioned under paragraph one includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the Company or its counterparty being subject to indebtedness payable to the other party in the amount of 3 % or more of the net tangible assets of the Company or Baht 20 million or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of the Capital Market Supervisory Board concerning rules on connected transactions mutatis mutandis. The combination of such indebtedness shall include indebtedness taking place during the course of 1 year prior to the date on which the business relationship with the person commences.

- (E) Neither being, nor used to be the auditor of the Company, parent company, subsidiaries, associated companies, major shareholders, controlling persons of the Company, nor being a significant shareholder, controlling person or partner of the audit office having the auditor providing auditing service to the Company, parent company, subsidiaries, associated companies, major shareholders, or the controlling persons of the Company, as a member, unless such director has resigned from such position for at least 2 years before the day the Company submits permission from Securities and Exchange Commission.
- (F) Neither being, nor used to be a provider of any professional services including the legal advisory or financial advisory services that received fees in the amount of more than Baht 2 million per year from the Company, parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company, nor being significant shareholders, the controlling persons, or partners of such professional services provider, unless such director has resigned from such position for at least 2 years before the day the Company submits permission from Securities and Exchange Commission.

- (G) Not being a director who has been appointed as a representative of the Company, major shareholders or shareholders relating to major shareholders.
- (H) Neither operating the business having the same nature which significantly competes with the business of company or its subsidiaries, nor being a significant partner or a director who involves in the management, nor being an employee, staff, a member, and a consultant who receives regular salary, or holds more than 1 % of the total number of shares with the voting rights of a company that operates the business having the same nature and significantly competes with the businesses of the Company or its subsidiaries.
- (I) Having no other conditions that may obstruct the independent expression of comment on the Company's operation.
- (J) Independent director with qualifications complying with the criteria the above may be assigned by the Board of Directors to take part in the business decision of the Company, parent company, subsidiaries, associated companies, same-level subsidiaries, major shareholders or controlling person of the Company on the condition that such decision must be a collective decision.

Asides from the qualification of independent directors in clause (A) - (J), the Audit Committee must have additional qualification as follows:

- 1) Neither being committee assigned from the Board of Directors to make decision in running business of the Company, parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company
- 2) Neither being committee of parent company, subsidiaries, same-level subsidiaries only the listed companies.
- 3) Have adequate knowledge and experience to work as Audit Committee.
- 4) Have duties as specified in SET's regulations about qualification and scope of operation of Audit Committee.

Scope of duties and responsibilities of the Audit Committee

- (1) Review financial report to ensure that it is accurate and reliable including adequate information revealing by coordinating with external auditor and the Executive Committee responsible for doing quarter and annual financial reports.
- (2) Review the Company's internal control system and internal audit system to ensure that they are suitable and effective, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit and may propose to review or examine some necessary and important lists including introducing about resolving important internal control system and necessary to submit to the Board of Directors by reviewing with outside auditor and manager of internal system examination department.
- (3) Review the Company's compliance with the law on securities and exchange or the SET's regulations, policy, rule, regulation and other laws related to the Company's business.
- (4) Consider, select and nominate an independent person to be the Company's auditor and to propose such person's compensation, as well as to attend a non-management meeting with an auditor at least once a year.
- (5) Review plan of Company's internal examination by using methods and accepted standard.
- (6) Review the connected transactions or the transactions that may lead to conflicts of interest, to ensure that they are in compliance with the laws and the SET's regulations and are reasonable for the highest benefit of the Company.
- (7) Review risk management system of the Company to be suitable and effective.
- (8) Report Audit Committee's performance to the Board of Directors at least 4 times per year.

- (9) Prepare, and disclose in the Company's annual report, an Audit Committee's report which will be signed by the Audit Committee's Chairman and consist of at least the following information;
 - (A) An opinion on the accuracy, completeness and creditability of the Company's financial report
 - (B) An opinion on the adequacy of the Company's internal control system
 - (C) An opinion on the compliance with the law on securities and exchange, the SET's regulations, or the laws related to the Company's business
 - (D) An opinion on the suitability of an auditor
 - (E) An opinion on the transactions that may lead to conflicts of interests
 - (F) The number of the Audit Committee meetings, and the attendance of such meetings by each Audit Committee member
 - (G) An opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter
 - (H) Other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors
- (10) Give opinion in considering appointing, depriving and evaluating performance of the staff in internal examination department.
- (11) The Audit Committee has authority to invite executive managing department or related staff to share opinion, attend meeting or send related and necessary documents.
- (12) Have authority to employ consultant or outsource person according to the regulation of the Company to give opinion or consult if necessary.
- (13) The Audit Committee must evaluate performance by themselves and report results with problems in working that may be causes they can't achieve objectives in setting Audit Committee to the Board of Directors every year.
- (14) Revise and adjust charter of the Audit Committee.
- (15) Work other jobs the Board of Directors assigns in the scope of duties and responsibilities of Audit Committee.

Terms for holding office of the Audit Committee

- (1) The Audit Committee will hold a position for 3 years. One year period is from the date of shareholder's ordinary meeting that the Audit Committee is nominated to the date of shareholder's ordinary meeting in next year. The committee who vacate could be re-elected. Besides retiring by rotation, the committee must retire when;
 - (A) Die
 - (B) Resign
 - (C) Be lack of qualification of Audit Committee according to charter or regulation of SET
 - (D) Terminate from being the Company's committee
- (2) The Audit Committee who wants to resign must submit letter of resignation to the Chairman of the Board of Directors in advance at least 1 month with reason and the Board of Directors must be persons who approve. The Company will inform SET to know with copy of letter of resignation. In case that all Audit Committee retire, the retired Audit Committee must act for original positions until new Audit Committee will be in position.
- (3) In case that Audit Committee position vacates because other reasons except retire by rotation. The Company's Board of Directors must appoint person with complete qualification to be new Audit Committee within 90 days to fulfill the amount of the Audit Committee completely as the Company's Board of Directors specified and replaced person must be in position only in the left period of the old Audit Committee has.

2. Executive Committee

As of 31 December 2017, the Executive Committee consists of 8 Directors as follows;

No.	Name	Position
1.	Mr. Taksin Tantipijit	Chairman of the Executive Committee
2.	Miss Suwanee Chenchitkhachorn	Executive Committee
3.	Mr. Prakit Komkhum	Executive Committee
4.	Miss Pen Yodkliang	Executive Committee
5.	Mr. Prapan Chitrcharoenchai	Executive Committee
6.	Mr. Boonlert Santiworanart	Executive Committee
7.	Mr. Niran Umaram	Executive Committee
8.	Miss Khanita Khetarun	Executive Committee

Scope of Duties and Responsibilities of the Executive Committee

- (1) Control managing of the Company following policy set by the Board of Directors and report performance to the Board of Directors. To run the Executive Committee's meeting, it must have committee to join not less than a half of Executive Committee and resolution of the Executive Committee must be voted by majority of the meeting.
- (2) Consider annual budget and steps of budget expense to propose to the Company's Board of Directors and control budget according to budget approved by the Company's Board of Directors.
- (3) Consider to adjust Company's business plan appropriately for Company's benefits.
- (4) Consider to approve investment and set investment budget according to the authority in manual of authority.
- (5) Consider doing contract binding company as authority in manual of authority.
- (6) Be responsible to provide key information of company adequately to use in making decision of the Company's Board of Directors, shareholders including doing reliable financial report according to good standard and transparency.
- (7) Consider profit and loss of the Company and propose annual dividend to the Company's Board of Directors.
- (8) Consider to start new business or cancel business for submitting to the Company's Board of Directors.
- (9) Control to provide steps for operator to report event or unusual performance or illegal action to the Executive Committee promptly and in case that event has significant impact that must be reported to the Board of Directors to resolve in reasonable time.
- (10) Do something for supporting above performance or following Board of Directors' opinion or following authority assigned from the Board of Directors.
- (11) Some cases that are proposed to the meeting of Executive Committee and get resolutions and/or approval from the Executive Committee must be reported to the Executive Committee in the next meeting of the meeting of the Board of Directors. However, the Executive Committee can't approve transactions that he or person who may have conflict has gain and loss or has conflict of interest in other characters with the Company and its subsidiaries.

Terms for holding office of the Executive Committee

The Executive Committee will hold a position for 3 years and hold by rotation of being committee and/or holding a position of company executive. The committee who vacate could be re-elected.

3. Risk Management Committee

As of December 31, 2017, the Risk Management Committee consists of 5 members as follows;

No.	Name	Position
1.	Mr.Taksin Tantipijit	Chairman of the Risk Management Committee
2.	Miss Suwanee Chenchitkhachorn	Risk Management Committee
3.	Mr. Prapan Chitcharoenchai	Risk Management Committee
4.	Mr.Boonlert Santiworanart	Risk Management Committee
5.	Mr. Prakit Komkhum	Risk Management Committee

Scope of Duties and Responsibilities of the Risk Management Committee

- (1) Set and revise policy and frame of organization's risk management.
- (2) Control and support to perform about organization's risk management consistent with strategy and business aim including changing situation.
- (3) Consider to report result of organization's risk management and give opinion about risk that could be occurred including methods to set control measure or relief and develop organization's risk management system effective continually.
- (4) Report result of organization's risk management to the committee to know and in case there are key factors or events that could affect to the Company significantly, they must be report to the Board of Directors to know and consider fastest.
- (5) Join meeting of Risk Management Committee at least 1 time per 3 months.
- (6) Perform other duties as the Board of Directors assign.

Terms for holding office of the Risk Management Committee

The Risk Management Committee will hold a position for 3years and hold by rotation of being committee and/or holding a position of company executive. The committee who vacate could be re-elected.

4. Nomination and Compensation Committee

As of December 31, 2017, the Nomination and Remuneration Committee consists of 3 members as follows;

No.	Name	Position
1.	Mr.Sirichai Towiriyawate	Chairman of the Nomination and Compensation Committee
2.	Mr.Pornsak Limboonyaprasert	Nomination and Compensation Committee
3.	Mr.Taksin Tantipijit	Nomination and Compensation Committee

Scope of Duties and Responsibilities of the Nomination and Compensation Committee

- (1) Select person deserved to propose as new committee or nomination managing director by setting regulations or nomination methods and select with criteria and transparency to propose to the meeting of the Board of Directors and/or the meeting of shareholders to approve.
- (2) Consider methods/set compensation to the committee and managing director by providing criteria or methods to set fair and reasonable compensation to propose to the Board of Directors and/or the meeting of the shareholders to approve.
- (3) Perform other duties as the Board of Directors assign.

The Nomination and Compensation Committee has responsible for the Board of Directors directly following duties and responsibilities assigned and the Board of Directors still have responsible for performance of the Company to outsider.

Nomination for the Committee and the Executive Committee

The Company has nomination committee peculiarly by the committee would consider to select person to be nominated as committee or Executive Committee of the Company and will be person with complete qualification following Section 68 of Public Limited Companies Act B.E.2535 and announcement of the Capital Market Supervisory Board announcement no. ThorJor.39/2559 in case of asking permission and allow to sell new release stock dated on 30 September 2016.

Factors and Searching for the Board of Directors

- (1) The Board of Directors must comprise not less than 5 committee and committee not less than a half of all committee must live in Kingdom of Thailand.
- (2) The Board of Directors comprises Executive Committee, committee who isn't executive and independent director at least one-third and not less than 3 directors. The qualification of independent director must be following standard of SET.
- (3) The Board of Directors selects one director from the board to be the Chairman of the Board of Directors. In case that the Board of Directors views as proper, the board could select one or several directors to be Vice- Chairman. Vice- Chairman has duty as specified in regulations of the business that is assigned by Chairman.
- (4) The Board of Directors selects one person to be the secretary of the Board of Directors and he/she could be/not to be director as well.

Factor and Searching for Audit Committee

- (1) The Audit Committee must comprise independent directors not more than 3 directors.
- (2) The Audit Committee has suitable skills following mission assigns. At least 1 Director must have knowledge, understanding or experience about accounting and finance.
- (3) The Board of Directors must select and nominate one Audit Committee to be Chairman of the Audit Committee.
- (4) The manager of internal examination department must be secretary of the Audit Committee by position. If there is no manager of internal examination department, the Audit Committee must select one person to work as secretary of the Audit Committee.

Factor and Searching for the Risk Management Committee

- (1) The Risk Management Committee must be nominated by the Board of Directors and the Risk Management Committee comprises the Board of Directors and/or the Executive Committee not less than 3 persons and the Board of Directors will nominate one of the Risk Management Committee to be the Chairman of the Risk Management Committee.
- (2) The Risk Management Committee must understand business and has direct experience in business to set policy of risk management to cover organization including control to have system or procedure to manage risk management to reduce effect to Company's business properly.
- (3) The Risk Management Committee must appoint secretary, the Risk Management Committee to be the chief of business support line or person that the Risk Management Committee considers he/she deems to be. This person must support and help the performance of the Risk Management Committee including preparation for meeting's agenda, noting the meeting report of the Risk Management Committee.

Factor and Searching for Nomination and Compensation Committee

- (1) The Nomination and Compensation Committee comprises Company's committee at least 3 persons and at least 1 person is the independent director and Chairman of the Nomination and Compensation Committee should be independent director.
- (2) The Nomination and Compensation Committee will hold the positions for 3 years. The committee who vacates by rotation could be re-nominated by the Board of Directors as well.
- (3) In case that the Nomination and Compensation Committee position vacates because other reasons except retire by rotation as clause (2) such as deprivation from being the Board of Directors, resignation or being withdrawn, the Company's Board of Directors must appoint person with complete qualification to be new Nomination and Compensation Committee to fulfill the amount of the Nomination and Compensation Committee completely as specified in charter and replaced person must be in position only in the left period of the old Nomination and Compensation Committee has.

Factor and Searching for Executive Committee

- (1) Be nominated from the Board of Directors
- (2) Comprise Company's committee that is executives or staffs in administrative level not less than 3 persons to be the Executive Committee.

Searching for Managing Director

Managing director nominates from nomination of the Board of Directors by selecting from person name listed to be Executive Committee during selection and proposing the Board of Directors to approve.

3. Operation Control of Subsidiaries and Associated Companies

The Board of Directors sets mechanism to control subsidiaries to maintain benefits from Company's capital by sending person as Company's representative to be committee, Executive Committee and controlling person in subsidiaries including setting scope of duties and responsibilities to be way in management and setting control mechanism via disclosing financial report and connected transactions with those subsidiaries by using regulations related to information disclosure and doing transaction following criteria and regulations of related organizations. Moreover, there is follow up to evaluate and examine concisely via adequate and suitable internal control system to run business of subsidiaries for Company's highest benefits.

4. Supervising of Using Internal Information

At the meeting of the Board of Directors No.1/2559 (First meeting after Registering for Transformation) on August 11, 2016, the meeting had resolution of using Company's internal information following good corporate governance as follows:

- (1) Committee, executive, staff and employee of the Company must perform as follows;
 - A. Must keep secret and / or Company's internal information
 - B. Must not disclose secret and / or Company's internal information or seek benefits of oneself or benefits of other person directly and indirectly and whether or not to get compensation as well.
 - C. Must don't do any transactions, transferring or receiving transfer Company's assets by using secret and/ or Company's internal information and/or doing any juristic act by using secret and/ or Company's internal information that could cause damage to the Company directly and indirectly.

In order that committee, executive, staff and employee of the Company that know about Company's internal information should be avoid or don't do any transactions about Company's assets for 1 month before disclosing financial statement to public and 24 hours after disclosing financial statement or key information to public and these regulations including spouse and immature children of the committee, executive, staff and employee of the Company. Person who violates these regulations will be considered as committing the offence seriously.

- (2) The committee and the executives including Company's auditor must report of change in holding assets of company of themselves and related person to the Securities and Exchange Commission according to Section 59.
- (3) The Company has announced for "Regulations of Using Company's Internal Information" to let the executives and the staffs to know thoroughly.

5. Compensation of the Audit Committee

The Company pays compensation of the Audit Committee and/or reviews financial statement for the Company of Audit Committee as follows;

1. Compensation of revising and financial statement examination (Audit Fee)

Firetrade Engineering Public Company Limited

		Year 2016	Year 2017
1.	Annual audit fee Baht	600,000	750,000
2.	Interim audit fee Baht	350,000	450,000
Total		950,000	1,200,000

2. Non Audit Fee

-None-

Corporate Social Responsibility

1. Overview of policy

The Company focuses on performance under ethical framework and good corporate governance, having transparency and verifiable following methods of social responsibilities of company specified by SET that are 8 principles such as: operation with fairness, anti-corruption, respect for human rights, fair treatment to labor, responsibilities for consumer, taking care for environment, community development, providing innovation and publicizing innovation from social, environmental and stakeholder responsibility operation.

2. Performance and Doing Report

The Company has set social responsibilities, environment and stakeholder as details as follows;

(1) Operation with fairness

- 1.1 The Company intends to operate business with honesty and runs business with social responsibilities both law, code of conduct and intends to make merit to person, community, society and environment and runs business by having standard of operation and good control with using ability with carefulness, adequate information and having referable evidences including performing following law and related regulations strictly.
- 1.2 Serving for the customer: the Company will serve for trade partner fairly, not call for or receive any unjust benefits. If the Company can't follow any conditions, please inform the trade partners in advance to find problem solving together.
- 1.3 Serving for the trade competitor: the Company will serve for trade competitor within regulation framework of good competition and not search for confidential information of the trade competitor with unfair methods.

(2) Anti-corruption

- 2.1 Not to propose compensation, pay bribe, call for or agree or receive bribe from others or other organizations directly or indirectly to have compensation that are benefits for each other or hope for benefits related to Company's works.
- 2.2 Not to do improperly transaction related to government officer, person or other organization directly or indirectly.
- 2.3 Not to donate or pay some money to facilitate or give some supporting money to any person or organization for being channel to pay bribe.
- 2.4 Not to support money or other benefits directly or indirectly to political parties, political group to receive benefits in running business or benefits of themselves or their relatives.
- 2.5 On 11 August 2017, the Company had joined in Collective Action Coalition of Thai private sector in anti-corruption and was waiting for approval. The Company contacted outside lecturer to train staffs about anti-corruption to cultivate staff to realize harmful effect of corruption and go along with company in anti-corruption.



(3) Respect for Human Rights

The Company realizes to respect for lives and human dignity of everyone so it provides methods to support and urge staffs to act following basic principles of the human rights that everyone has equal right regardless differences of gender, race, religion, skin color, position, political belief and other belief. The Company focuses on respect for human rights of every committee and staffs in organizations and gives staffs a chance to show their opinions and complains about individual piracy.

(4) Fair Treatment to Labor

The Company sets method of treatment to staff by the Executive Committee must treat to labor fairly, manage works without bias, support creating potential of progress and increase staff's effectiveness of working, provide welfare to staff suitably, serve staff frankly, listen to opinion and recommendation reasonably. Moreover, the Company provides channel to get recommendation or complains from the staffs and provides steps and procedures of considering complains fairly.

(5) Responsibilities for consumer

The Company assigns the Executive Committee and staff of the Company to treat customers as ethical-business regulations set strictly, takes care and be responsible for customers in the aspects of product quality and good service with standard, keeps secret of the customers, focuses on fair and equal price setting under Company's policy of price setting.

(6) Taking Care for Environment

The Company sets methods to take care for environment inside office and warehouse including focuses on and be responsible to community near the Company, runs business carefully and must not affect to nearby community's environment.

(7) Community Development

The Company will act or control to have act following law and related regulations and social responsibility including cooperating, helping, supporting and volunteering to do beneficial activities for community and society both in nearby communities and other communities.



(8) Providing Innovation and Publicizing Innovation from Social, Environmental and Stakeholder Responsibility Operation

The Company will support to provide innovation both in level of working procedure in organization and level of cooperation between organization that means doing things with new methods and also means changing in thought and manufacturing to increase value. Target of innovation is positive changing to make things better and causes increasing products to create highest benefits to society.

3. CSR-After Process

The Company has done social activities for several years but not inform the society to know and our staffs always give good cooperation such as donating to community nearby warehouse in every new year, donating to renovate schools in local areas, donating to help people who are suffered from disaster. The Company still intends to focus on social rewards from now on.



Internal Control and Risk Management

Conclusion Opinion of the Board of Directors about Internal Control

At the meeting of the Board of Directors No.1/2561 on February 20, 2018, consisted of 3 Audit Committee members to join the meeting and the Board of Directors had evaluated and considered adequacy of Company's internal control system according to the evaluation form of adequacy of internal control system of the Securities and Exchange Commission by asking information from 5 aspects of the executive department: 1) Organization and environment aspect 2) Risk management aspect 3) Performance control of the executive department 4) Information and communication aspect and 5) Monitoring system aspect

The Board of Directors had opinion that the Company had adequate internal control system and suitable for running business as well and the independent directors and Audit Committee had the same opinion with the Board of Directors. The Company followed accepted accounting standard of the Securities and Exchange Commission and regulations of SET including having internal control system of transaction with major shareholders, committee, Executive Committee or related person appropriately and adequately. Preceding the Company considered to approve related transaction under considering of highest benefits of the Company. Moreover, the Company also set policy to increase carefulness in doing that transaction by considering approving future transaction from non-stakeholder only. However, the Board of Directors focused on controlling organization to be listed company with good corporate governance truly.

Related-Party Transactions

1. Necessity and reasonableness of related party transactions

The Company and its subsidiary has entered into transactions with parties with potential conflicts of interest and related parties which have common shareholders or common directors or have related parties of executives, directors and shareholders of the Company as their directors, persons with controlling interest or shareholders.

In this regard, the Audit Committee conducted audits and reviewed the appropriateness and reasonableness of these transactions, including their pricing and conditions which should be on an arm's length basis.

2. Related-Party Transaction Approval and Procedure

The meeting of the Board of Directors No.1/2559 (First meeting after Registering for Transformation) on August 11, 2016, resolved to establish a policy and process for approving related party transactions between the Company and individuals who have or may have conflict of interest on or beneficial interest in the transaction.

For transactions between the Company and its subsidiary or related parties or parties with potential conflicts of interest at present or in the future, if such transactions have the same commercial terms as those an ordinary person would agree with any unrelated counterparty under similar circumstances through a commercial negotiation that is not influenced by the status as a director, an executive or a related party, are based on an arm's length principle or the market price, are governed by reasonable conditions, are verifiable, and do not give rise to expropriation; the Company's management shall have the authority and power to execute such transactions as normal in accordance with the principles approved by the Board. A summary report on such transactions shall be prepared and submitted to the Audit Committee on a quarterly basis.

For related-party transactions that are not ordinary transactions, the Company will solicit the Audit Committee's opinions on the necessity and reasonableness of such transactions. If the related party transactions are outside the Audit Committee's areas of expertise, the Company will engage independent appraisers, independent experts or auditors in reviewing such transactions and share their opinions with the Audit Committee in order that the Audit Committee can make decisions or issue recommendations to the Board or the shareholders, as applicable, to support their decision-making on the transactions. The Company discloses information about related party transactions in the notes to the audited financial statements and discloses the related party transactions in the annual registration statement (Form 56-1) and the annual report (form 56-2) of the Company in accordance with the rules and the securities and exchange laws. Procedures applicable to the approval of related-party transactions must be in compliance with the securities and exchange laws, including regulations, notifications, orders or requirements of the Stock Exchange of Thailand and persons with potential conflicts of interest in such transactions are not entitled to vote on such transactions.

The Company will adopt the policy of entering into the connected transaction of the Company with the person or company concerned. As well the Company has Acquisition and Disposition of Assets in writing and in accordance with the Notification of the Capital Market Supervisory Board and the rules set by the Securities and Exchange Commission and the Stock Exchange of Thailand. Let the staff know in general.

3. Approved Principle governing Transactions with Arm's Length Commercial Terms between the Company and Director, Executive or Related Party

If it becomes necessary for the Company to enter into related party transactions with persons with potential conflicts of interest in the future, the Company will apply arm's length conditions and comparable market rates by referring to conditions and prices of transactions that the Company has made with third parties operating the same business. The Company will request the Audit Committee to render opinions on the prices, fees, necessity and reasonableness of the related party transactions. If the related party transactions are outside the Audit Committee's areas of expertise, the Company will engage independent appraisers, independent experts or auditors in reviewing such transactions and share their opinions with the Audit Committee in order that the Audit Committee can make decisions or issue recommendations to the Board or the shareholders, as applicable, to support their decision-making on the transactions. The Company discloses information about related-party transactions in the notes to the audited financial statements and discloses related party transactions in the annual registration statement (Form 56-1) and the annual report (form 56-2) of the Company in accordance with the rules and the securities and exchange laws, including regulations, notifications, orders or requirements of the Stock Exchange of Thailand.

Directors must handle related-party transactions that may arise in the future in accordance with established regulations. Directors shall not be involved in any transactions that they or their related parties may have conflict of interest and shall report their conflicts of interest to the Board. The Company must strictly comply with the securities and exchange laws, the regulations, notifications, orders or requirements of the Stock Exchange of Thailand, the requirements governing the disclosure of related party transactions and the acquisition or disposal of the assets of the Company and its subsidiary, including the accounting standards stipulated by the Federation of Accounting Professions. The Company shall refrain from related-party transactions that are not in the Company's ordinary course of business.

4. Investor Protection

To protect investors, if related party transactions between the Company and parties with potential conflicts of interest arise in the future, the Company will present such transactions to the Board meeting with the presence of Audit Committee members to ensure that the transactions are fair and appropriately priced. The Board is mandated to perform its duties in accordance with the securities and exchange laws, the regulations, notifications, orders or requirements of the Stock Exchange of Thailand, and the requirements governing the disclosure of related-party transactions and the acquisition or disposal of the assets of listed companies. The Company disclose the related party transactions made by the Company in the Notes to Financial Statements audited by the Company's auditor.

Report of the Audit Committee

Dear Shareholders

The Auditor Committee of Firetrade Engineering Public Company Limited consists of 3 expert-independent directors: Mr. Pornsak Limboonyaprasert as the Chairman of Audit Committee, Mr. Worapon Lopansri and Mr. Sirichai Towiriyawate as Audit Committee. These three experts had knowledge in accounting, management including auditing and performed their duties and responsibilities. For the year 2017, the committee had participated in four meetings and all Audit Committee participated in every meeting to audit and consider for these issues as follows;

1. The Audit Committee reviewed quarterly and annually financial statements of the year 2017 to ensure that the financial statement preparation was in conformity with accounting standard under the generally accepted accounting principles and information was disclosed correctly, completely and reliably, including the auditor commented to the financial statements and propose to the Board of Directors and shareholders.
2. The Audit Committee reviewed the sufficiency of Company's internal control system and they commented that the Company had good and effective internal control system.
3. The Audit Committee reviewed the compliance with Securities and Exchange law, The Stock Exchange of Thailand's regulations and related law with Company's business including regulatory requirements.
4. The Audit Committee reviewed the connected transactions or the transactions that may cause conflicts of interests, making them in line with the laws and The Stock Exchange of Thailand's regulations. The committee also disclosed Company's transaction to have accuracy and completeness. This is to ensure such transactions are reasonable and for the highest benefit of the Company.
5. The Audit Committee reviewed the Company to have risk management system appropriately and efficiently.
6. The Audit Committee considered and proposed to appoint the auditors and audit fee for the year 2017 to the Board of Directors and this information would be proposed to the meeting of the shareholders. The Audit Committee had already considered and had resolution to appoint the auditors as follows;

Mr.Methee Rattanasrimetha	Certified Public Accountant No.3425 or
Mr.Pisit Chevaruengroj	Certified Public Accountant No.2803 or
Mr.Akkaradej Plaensakul	Certified Public Accountant No.5389 or
Miss Varaporn Vareesawedsuvan	Certified Public Accountant No.5087

From M.R. & Associates Co., Ltd. and specify for Company's audit fees for the year 2017 in the amount of Baht 1.2 million (One million and two hundred thousand baht). The Audit Committee had an opinion to propose appointing those auditors as follows;

- In the last fiscal year, the auditors worked with professional knowledge and gave advice about internal control systems and risks.
- Proposed audit fees were appropriate for period of the fiscal year 2017.
- The auditors had no relationship with the Company and its subsidiary then they had freedom in working.

Summarily, the Audit Committee had performed their duties and responsibilities completely as getting approved from the Board of Directors and they agreed the Company had reported financial statements and operations correctly. The Company had adequate and effective internal control system, internal auditing and risk management. Also the Company performed following laws and other regulations including there were disclosure of the connected transactions correctly and work performance consistent with good governance adequately.



Mr.Pornsak Limboonyaprasert
Chairman of the Audit Committee

Operation Result and Financial Position Analysis

Operation Result Analysis

Total revenue

The Company and its subsidiary had total revenue in year 2015, 2016 and 2017 as Baht 761.57 million, Baht 829.53 million and Baht 986.74 million respectively. The compound average growth rates for 3 years were 13.39% per year.

Revenue from sales

The Company and its subsidiary had revenue from sales in year 2015, 2016 and 2017 as Baht 603.88 million, Baht 628.41 million and Baht 655.71 million respectively. It was 79.60%, 76.40% and 67.23% of total revenue from sales and services in each year respectively.

In year 2016, revenue from sales of the Company and its subsidiary was Baht 628.41 million or 76.40% of total revenue from sales and services increased from year 2015 equal to Baht 24.53 million or increased 4.06%. Sales revenue ratios were from designer and contractor group, project owner or general customer group and shop and distributor group as 60%, 18% and 22% of revenue from sales respectively.

In year 2017, revenue from sales of the Company and its subsidiary was Baht 655.71 million or 67.23% of revenue from sales and services. It increased from year 2016 equal to Baht 27.30 million or increased 4.34%. The increased revenue was from increased orders of fire protection system contractor customer's group and the major group of contractors was Company's regular customers. Sales revenue ratios were from designer and contractor group, project owner or general customer group and shop and distributor group as 69%, 12% and 19% of revenue from sales in year 2017 respectively.

Revenues from project works and services

Revenues from project works and services was divided into 2 types: 1) revenue from project works was from full range of fire protection installing services and 2) revenue from other services such as examining, repairing and maintaining fire protection system.

The Company and its subsidiary had revenue from project works and services in year 2015, 2016 and 2017 as Baht 154.76 million, Baht 194.15 million and Baht 319.62 million respectively. It was 20.40 %, 23.60 % and 32.77 % of total revenue from sales and services in each year respectively. Increased and decreased change of revenue from project works and services depended on number of project works and value of installing fire protection system projects in each year.

In year 2016, revenue from project works and services of the Company and its subsidiary was Baht 194.15 million or 23.60% of revenue from project works and services, increased from year 2015 equal to Baht 39.39 million or increased 25.45%. Project revenue ratios were from working of NPS electricity station in affiliated to Double A (1991) Public Company Limited, six high voltage terminal stations of EGAT, CAT Telecom Public Company Limited in Ratchaburi, Pattaya and Satellite Station Nothaburi branches, Network Operation Center and Computer Data Center of Internet Thailand Public Company Limited and blue line sky train project. It was 92.91% of revenue from projects and services and revenue from other services was 7.09% of revenue from projects and services.

In year 2017, revenue from project works and services of the Company and its subsidiary was Baht 319.62 million or 32.77 % of revenue from project works and services, increased from year 2016 equal to Baht 125.47 million or increased 64.63 %. Project revenue ratios were from working in project of high voltage terminal stations of EGAT in Khon Kaen, Nakohn Sawan, Phayao, Saraburi and Prachuap Khiri Khan Branches. Revenue from projects was 95.63% of revenue from project works and services and revenue from other services was 4.37% of revenue from project works and services.

Other revenue

Other revenue comprised of: profit and loss of exchange rates, interest getting from financial institutes, profit from selling assets, revenue from leasing and other. The Company and its subsidiary had other revenue of year 2015, 2016 and 2017 equal to Baht 2.93 million, Baht 6.97 million and Baht 11.41 million respectively.

Cost and Gross profit margin

Costs of sales of goods and Costs of services

The Company and its subsidiary had total cost in year 2015, 2016 and 2017 as Baht 565.16 million, Baht 618.69 million and Baht 715.82 million respectively. It was 74.50%, 75.22% and 73.39% of revenue from sales and services in each year respectively.

Costs of sales of goods

Costs of sales of goods comprised of cost of products the Company ordered to sell, import tax, customs broker charge, product insurance, labor wage and manufacturing wage. The Company and its subsidiary had costs of sales of goods in year 2015, 2016 and 2017 as Baht 448.29 million, Baht 468.41 million and Baht 474.58 million respectively. The costs of sales of goods ratios per revenues from sales was 74.23%, 74.54% and 72.38% respectively.

Costs of project works and rendering of services

Costs of project works and rendering of services comprised of cost of products installed for projects, outsource wage cost, wage of engineer and designer, protection fire system's repair and maintenance service charge and insurance premium of maintenance service. The Company and its subsidiary had costs of project works and rendering of services in year 2015, 2016 and 2017 as Baht 116.87 million, Baht 150.28 million and Baht 241.24 million respectively. The costs of project works and rendering of services ratios per revenues from project works and services was 75.52%, 77.41% and 75.48% respectively.

Gross profit and gross profit ratios

The Company and its subsidiary had gross profit in year 2015, 2016 and 2017 as Baht 193.48 million, Baht 203.87 million and Baht 259.51 million respectively. It was 25.50 %, 24.78 % and 26.61% of revenue from sales and services in each year respectively.

In year 2015, 2016 and 2017, gross profit from sales of the Company and its subsidiary was Baht 155.59 million, Baht 160.00 million and Baht 181.13 million. Gross profit ratios from sales were 25.77%, 25.46% and 27.62% respectively. In year 2017, the Company and its subsidiary had increased gross profit and gross profit ratios from sales from 2016 equal to Baht 21.13 million. Gross profit ratios from sales was 13.21% because of sales revenue growth and the Company had revenue from selling new import products with highly profit ratios per piece to match customer's needs.

The Company and its subsidiary had gross profit from services in year 2015, 2016 and 2017 as Baht 37.90 million, Baht 43.87 million and Baht 78.38 million respectively. It was gross profit ratios from services equal to 24.49 %, 22.60 % and 24.52% respectively. In year 2017, the Company and its subsidiary had gross profit and gross profit ratios from increased services from year 2016 equal to Baht 34.51 million. The gross profit ratio from services was equal to 78.66% because of 64.63% of revenue growth from projects and services although there was increased cost from increasing of engineer and designer staffs as well.

Distribution costs and Administrative expenses

The Company and its subsidiary had distribution costs and Administrative expenses in year 2015, 2016 and 2017 as Baht 90.27 million, Baht 101.00 million and Baht 111.20 million respectively. It was 11.90%, 12.28% and 11.40% of revenue from sales and services respectively. Change details of distribution costs and Administrative expenses were as follows;

Distribution costs

Keys of distribution were salary and welfare of sale representatives, commission, transportation and fuel expense, and observe activity expense. The Company and its subsidiary had distribution costs in year 2015, 2016 and 2017 as Baht 56.59 million, Baht 58.64 million and Baht 63.67 million respectively. It was total revenue from sales and services equal to 7.46%, 7.13% and 6.53% respectively. The distribution costs tends to increase every year according to the growth of revenue from sales and the Company and its subsidiary recruit new staffs every year to serve business expansion in the future. This causes the Company had increasing of expenses about staff salary and sale representatives.

Administrative expenses

Expense of administration were expense on staffs in administrative section, office service charge, public utility fees of office, depreciation, warehouse's rental fees, office's rental fees and audit fees. The Company and its subsidiary had cost of distribution in year 2015, 2016 and 2017 as Baht 33.68 million, Baht 42.36 million and Baht 47.53 million respectively. It was total revenue from sales and services equal to 4.44%, 5.15% and 4.87% respectively.

The expense of administration in year 2016 tends to increase from year 2015 according to the increasing of staff expenses such as salary of executive directors, bonus and overtime fees including expenses related to preparation for taking company to register with The Stock Exchange of Thailand such as PR consultant fees, attendance fees of the Board of Directors, financial consultant fees and legal consultant fees.

In year 2017, the expense of administration increased from the year 2016 in the amount of Baht 5.17 million or 12.20%. This expense was from expense on staffs in administrative section, PR consultant fees, depreciation, amortization and allowance for old-fashioned products related to accounting policies. The decreasing of expense was from reversing entries of allowance for doubtful accounts because the Company got debt repayment.

Net profit and Net Profit Margin

In year 2015, 2016 and 2017, net profit of the parent company was Baht 73.83 million, Baht 84.56 million and Baht 130.65 million respectively. It was 9.69%, 10.19% and 13.24% of net profit margin of total revenue in each year respectively.

In year 2017, net profit of the parent company increased from year 2016 in the amount of Baht 46.09 million or 54.51% of increasing. The most net profit was from increasing of revenue from projects.

Financial Position Analysis

Assets

Total assets of the Company and its subsidiary as at December 31, 2015, 2016 and 2017 were Baht 546.16 million, Baht 480.73 million and Baht 880.82 million respectively. Key important change of assets, cash and cash equivalents, trade and other accounts receivable, unbilled project works in progress, Inventories and equipments were as follows;

- As at December 31, 2015, 2016 and 2017, the Company and its subsidiary had cash and cash equivalent in the amount of Baht 64.06 million, of Baht 11.48 million and Baht 310.80 million respectively. As at the end of the year 2017, increased cash was item from Initial Public Offering (IPO).
- As at December 31, 2015, 2016 and 2017, the Company and its subsidiary had trade and other accounts receivable in the amount of Baht 208.96 million, Baht 196.46 million and Baht 228.99 million respectively. The Company and its subsidiary had net trade accounts receivable in the amount of Baht 199.51 million, Baht 185.34 million and Baht 213.70 million respectively. In order that the Company and its subsidiary had policy to give term credit to customers around 30-90 days after delivery or service date. The most cases occurred when the Company and its subsidiary were during cheque clearing system following billing and accepting cheque's regulations of each account receivable. The ordinary period was not over than 2-4 weeks from billing due date. The Company and its subsidiary had policy to suspend sale on credit for account receivable who overdue more than 12 months, if the Company considered account receivable tended to be unpaid for debt and the Company monitored debt repayment strictly with policy to consider setting allowance for doubtful accounts in the amount of 100% of account receivable with over 1 year overdue or account receivable tended to be unpaid for debt or judgment debtor as at December 31, 2015, 2016 and 2017. The Company and its subsidiary considered setting allowance for doubtful accounts in the amount of Baht 6.51 million, Baht 7.36 million and Baht 4.12 million respectively.

Other accounts receivable comprised of advances paid to installation contractors, other prepaid expenses and retention receivables work project according to conditions specified in work contract.

- As at December 31, 2015, 2016 and 2017, the Company and its subsidiary had value of unbilled project works in progress in the amount of Baht 29.83 million, Baht 51.31 million and Baht 59.15 million respectively. Unbilled project works in progress was from perception of project work revenue following percentage of completion but due date to issue debt bill had not come yet.
- As at December 31, 2015, 2016 and 2017, the Company and its subsidiary had inventories in the amount of Baht 218.28 million, Baht 189.71 million and Baht 251.39 million respectively. To serve sale staff's needs following target adequately, the Company and its subsidiary had to have adequate inventory consistent with increased sale value of fire protection equipment and fire protection system projects. Then the Company had policy to manage inventory effectively. The Company and its subsidiary had average holding period for year 2015, 2016 and 2017 equal to 125, 109 and 99 days respectively.

- As at December 31, 2015, 2016 and 2017, the Company and its subsidiary had equipments lists as furniture, office equipment, fixtures, tools and vehicles in the amount of Baht 8.79 million, Baht 12.46 million and Baht 11.42 million respectively.

Liquidity

In year 2017, the Company and its subsidiary had increasing liquidity ratios from 2.81 times to be 6.55 times and quick liquidity ratio increased from 1.62 times to be 4.61 times because of cash from Initial Public Offering (IPO). Considered from cash cycle, it was found that the Company and its subsidiary had cash cycle ratios decreased from 166 days to 157 days. It showed the Company and its subsidiary had liquidity in good level and tended to be better continually.

For accounting period in year 2015, 2016 and 2017, the Company and its subsidiary had net cash provided by operating activities equal to Baht 111.60 million, Baht 90.64 million and Baht 58.70 million respectively. The Company and its subsidiary had cash flow from business operation every year because of profitability. The Company and its subsidiary also had net cash used in investing activities in the amount of Baht 2.69 million, Baht 7.29 million and Baht 1.78 million respectively. Because there was investment in office decoration and buying office equipment to serve increasing staffs including investment in buying intangible assets like computer programs to serve for business expansion in the future. Moreover, the Company and its subsidiary net cash used in financing activities in the amount of Baht 69.55 million and Baht 135.93 million respectively because there was amortizing repayment of short-term loans from related persons in year 2015 and 2016. In every year the Company had dividend payment especially in year 2016, there was dividend payment for setting capital structure of the Company and its subsidiary for preparing to take the Company to register with The Stock Exchange of Thailand. In year 2017, the Company had net cash provided by financing activities in the amount of Baht 242.40 million. Mostly was cash from Initial Public Offering (IPO). This caused net increase in cash and cash equivalents to be Baht 39.36 million in year 2015 and in year 2016 the Company had net decrease in cash and cash equivalents in the amount of Baht 52.58 million. Moreover, in year 2017 there was net increase in cash and cash equivalents to be Baht 299.32 million.

Liabilities

Total Liabilities of the Company and its subsidiary as at December 31, 2015, 2016 and 2017 equal to Baht 213.01 million, Baht 165.10 million and Baht 137.92 million or 39.00%, 34.34% and 15.66% of total assets respectively. There were important changes of liabilities as follows;

- As at December, 31, 2015, 2016 and 2017, the Company and its subsidiary had trade and other accounts payable as follows;

(Unit : In Million Baht)	2015	2016	2017
Trade accounts payable - Related parties	0.08	0.08	0.17
Trade accounts payable - Others	101.34	63.11	87.84
Total trade accounts payable	101.42	63.19	88.01
Other accounts payable	15.66	31.38	20.34
Total Trade and other accounts payable	117.08	94.57	108.35

- Trade accounts payable lists were domestic and foreign trade accounts payable from product ordering to use in sale and project works of the Company and its subsidiary. Payable Conversion Period in year 2015, 2016 and 2017 were 72, 48 and 38 days respectively.

Most of Company's other debtors were advance received from project works, accrued commission, accrued expenses and other accounts payable.

- Other current liabilities were withholding tax, revenue Department payable, marginal deposit and deposit for damage guarantee.
- Non-current liabilities of the Company and its subsidiary had only liability for post-employment benefits.

Shareholder's Equity

As at December 31, 2015, 2016 and 2017 shareholder's equity of company equal to Baht 333.15 million, Baht 315.63 million and Baht 742.90 million or 61.00%, 65.65% and 84.34% of total assets respectively. There were important changes of shareholder's equity as follows;

- On July 25, 2017, the Company received the proceeds from sell of its initial public offering of ordinary shares of Baht 442.5 million (newly issued 150 million ordinary shares at the price of Baht 2.95 per share) which was separately recorded as its share capital of Baht 75 million and premium on shares approximately Baht 346.48 million (net of expense on offering of ordinary shares totaling approximately Baht 21 million). The Company had registered the increase in paid-up share capital with the Ministry of Commerce on July 25, 2017 with issued and paid-up share capital Baht 300 million and the Company's ordinary shares were accepted as the listed securities by The Stock Exchange of Thailand on July 27, 2017.
- As at December 31, 2015, 2016 and 2017 the Company and its subsidiary had appropriated retained earnings included appropriated for legal reserve equal to Baht 5.87 million, Baht 9.37 million and Baht 16.70 million respectively and retained earnings unappropriated equal to Baht 283.11 million, Baht 81.16 million and Baht 79.62 million respectively retained earnings unappropriated according to separated financial statements equal to Baht 283.33 million, Baht 65.77 million and Baht 77.78 million respectively) Moreover, in year 2017, the Company provided additional dividend payment of year 2016 to shareholders in the amount of Baht 63.00 million and provided the interim dividend payment of the year 2017 for 2 times to the shareholders as the total amount of Baht 60.90 million.

Financial Structure Ratios

The Company and its subsidiary had debt ratio per shareholder's equity equal to 0.64, 0.52 and 0.19 times respectively. It decreased continually from year 2015 to 2017 from the profitability and Initial Public Offering (IPO). This showed strength of financial structures of the Company and its subsidiary.

Summarize Financial Statements Year 2015 – 2017

(Unit : In Million Baht)

Summarize statements of financial position	Consolidated before business restructuring		Consolidated financial statements		Consolidated financial statements	
	"Audited"		"Audited"		"Audited"	
	2015	%	2016	%	2017	%
Cash and cash equivalents	64.06	11.73%	11.48	2.39%	310.80	35.28%
Trade and other accounts receivable	208.96	38.26%	196.46	40.87%	228.99	26.00%
Unbilled project works in progress	29.83	5.46%	51.31	10.67%	59.15	6.72%
Inventories	218.28	39.97%	189.71	39.46%	251.39	28.54%
Other current assets	0.72	0.13%	0.68	0.14%	0.48	0.05%
Total Current Assets	521.85	95.55%	449.64	93.53%	850.81	96.59%
Deposits at financial institutions under pledge	4.38	0.80%	4.52	0.94%	4.46	0.51%
Equipment	8.79	1.61%	12.46	2.59%	11.42	1.30%
Intangible assets	1.84	0.34%	4.29	0.89%	4.17	0.48%
Land not use in operation	3.91	0.71%	3.91	0.81%	3.91	0.44%
Deferred tax assets	3.55	0.65%	4.10	0.85%	4.08	0.46%
Other non-current assets	1.84	0.34%	1.81	0.37%	1.97	0.22%
Total Non-Current Assets	24.31	4.45%	31.09	6.47%	30.01	3.41%
TOTAL ASSETS	546.16	100.00%	480.73	100.00%	880.82	100.00%
Bank overdrafts and short-term borrowings from financial institutions	-	-	53.61	11.15%	-	-
Trade and other accounts payable	117.08	21.44%	94.57	19.67%	108.35	12.30%
Short-term loans from related parties and interest payable	83.58	15.30%	-	-	-	-
Income tax payable	3.84	0.70%	7.16	1.49%	10.25	1.17%
Other current liabilities	4.71	0.86%	4.68	0.97%	11.39	1.29%
Total Current Liabilities	209.21	38.30%	160.02	33.28%	129.99	14.76%
Liability for post-employment benefits	3.80	0.70%	5.08	1.06%	7.93	0.90%
Total Non-Current Liabilities	3.80	0.70%	5.08	1.06%	7.93	0.90%
Total Liabilities	213.01	39.00%	165.10	34.34%	137.92	15.66%
Share capital						
- Authorized share capital	20.00		300.00		300.00	
- Issued and paid-up share capital	20.00	3.66%	225.00	46.80%	300.00	34.06%
Share premium	-	-	-	-	346.48	39.34%
Retained earnings						
- Appropriated for legal reserve	5.87	1.08%	9.37	1.95%	16.70	1.89%
- Unappropriated	283.12	51.84%	81.16	16.88%	79.62	9.04%
Share premium on business restructuring under common control	-	-	0.10	0.02%	0.10	0.01%
Equity holders of former shareholders before business restructuring	22.95	4.20%	-	-	-	-
Non-controlling interests	1.21	0.22%	-	-	-	-
Total Shareholders' Equity	333.15	61.00%	315.63	65.65%	742.90	84.34%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	546.16	100.00%	480.73	100.00%	880.82	100.00%

Remarks: The Company and its subsidiary were structured as business combination of entity under common control which considered as the Company is the parent company of the subsidiary, the Company prepared the consolidated financial statements which included the financial statements of the subsidiary was 95% of shareholding, since before January 1, 2015 to the date of share swap, the Company has the controlling power and the percentage of shareholding in such company at 99.99% through swap shares of Mr. Taksin Tantipijit and other persons.

(Unit : In Million Baht)

Summarize statements of comprehensive income	Consolidated before business restructuring		Consolidated financial statements		Consolidated financial statements	
	"Audited"		"Audited"		"Audited"	
	2015	%	2016	%	2017	%
Revenues from sales	603.88	79.60%	628.41	76.40%	655.71	67.23%
Revenues from project works and services	154.76	20.40%	194.15	23.60%	319.62	32.77%
Total revenue from sales and services	758.64	100.00%	822.56	100.00%	975.33	100.00%
Costs of sales of goods	448.29	59.09%	468.41	56.95%	474.58	48.66%
Costs of project works and rendering of services	116.87	15.40%	150.28	18.27%	241.24	24.73%
Total costs of sales of goods and costs of services	565.16	74.50%	618.69	75.22%	715.82	73.39%
Gross profit	193.48	25.50%	203.87	24.78%	259.51	26.61%
Other income	2.93	0.39%	6.97	0.85%	11.41	1.17%
Profit before Expenses	196.41	25.89%	210.84	25.63%	270.92	27.78%
Distribution costs	56.59	7.46%	58.64	7.13%	63.67	6.53%
Administrative expenses	33.68	4.44%	42.36	5.15%	47.53	4.87%
Profit before Finance costs and Income Tax	106.14	13.99%	109.84	13.35%	159.72	16.38%
Finance costs	4.84	0.64%	1.25	0.15%	1.55	0.16%
Profit before Income Tax	101.30	13.35%	108.59	13.20%	158.17	16.22%
Income Tax Expense	20.51	2.70%	21.39	2.60%	27.52	2.82%
PROFIT FOR THE YEAR	80.79	10.65%	87.20	10.60%	130.65	13.40%

Remarks: The Company and its subsidiary were structured as business combination of entity under common control which considered as the Company is the parent company of the subsidiary, the Company prepared the consolidated financial statements which included the financial statements of the subsidiary was 95% of shareholding, since before January 1, 2015 to the date of share swap, the Company has the controlling power and the percentage of shareholding in such company at 99.99% through swap shares of Mr. Taksin Tantipijit and other persons.

(Unit : In Million Baht)

Summarize statements of cash flows	Consolidated	Consolidated	Consolidated
	before business	financial	financial
	restructuring	statements	statements
"Audited"	"Audited"	"Audited"	
2015	2016	2017	
Profit for the year	80.79	87.20	130.65
Adjustments for			
Increase (decrease) in bad debts and allowance for doubtful accounts	0.46	2.64	(2.66)
Increase (decrease) in allowance for diminution in value of obsolete and slow-moving inventories	(2.29)	(0.86)	0.24
Depreciation and amortization expense	2.99	3.05	3.94
Gain on sales of equipment	(0.03)	(1.35)	-
Loss on written-off equipment	0.03	0.05	-
Unrealized loss (gain) on exchange rate	0.37	0.45	(0.15)
Unrealized loss on remeasurement of derivatives	-	-	0.23
Gain on sales of current investments	-	(0.23)	-
Provision of fine for delay works	-	0.18	-
Impairment losses on land not use in operation	0.33	-	-
Expenses for post-employment benefits	0.95	1.28	1.65
Interest income	(0.77)	(0.38)	(0.97)
Interest expense	4.84	1.25	1.55
Income tax expense	20.51	21.39	27.52
Changes in operating assets and liabilities			
Decrease (increase) in operating assets:			
Trade and other accounts receivable	11.60	11.32	(29.87)
Unbilled project works in progress	37.46	(22.94)	(7.84)
Inventories	21.87	29.43	(61.91)
Other current assets	(0.29)	0.06	0.18
Deposits at financial institutions under pledge	(0.56)	(0.14)	0.04
Other non-current assets	0.23	0.04	(0.16)
Increase (decrease) in operating liabilities:			
Trade and other accounts payable	(24.76)	(22.95)	13.70
Other current liabilities	(8.39)	(0.22)	6.72
Cash receipt from operation	145.34	109.27	82.86
Income tax paid	(33.74)	(18.63)	(24.16)
Net cash provided by operating activities	111.60	90.64	58.70
Interest received	0.78	0.36	0.99
Increase in current investments	-	(30.00)	-
Proceeds from sale of current investments	-	30.23	-
Purchases of equipment	(3.21)	(6.61)	(2.31)
Proceeds from sale of equipment	0.14	1.54	-
Increase in computer software	(0.40)	(2.81)	(0.46)
Net cash provided by (used in) investing activities	(2.69)	(7.29)	(1.78)

(Unit : In Million Baht)

Summarize statements of cash flows	Consolidated	Consolidated	Consolidated
	before business	financial	financial
	restructuring	statements	statements
	"Audited"	"Audited"	"Audited"
	2015	2016	2017
Interest paid	(7.43)	(2.00)	(1.57)
Increase (decrease) in bank overdrafts and short-term borrowings from financial institutions	-	53.61	(53.61)
Decrease in short-term borrowings from related parties	(48.12)	(82.82)	-
Dividend paid	(14.00)	(304.97)	(123.90)
Proceeds from increase share capital and initial public offering	-	200.25	421.48
Net cash provided by (used in) financing activities	(69.55)	(135.93)	242.40
Net increase (decrease) in cash and cash equivalents	39.36	(52.58)	299.32
Cash and cash equivalents at beginning of the year	24.70	64.06	11.48
Cash and cash equivalents at end of the year	64.06	11.48	310.80

Remarks: The Company and its subsidiary were structured as business combination of entity under common control which considered as the Company is the parent company of the subsidiary, the Company prepared the consolidated financial statements which included the financial statements of the subsidiary was 95% of shareholding, since before January 1, 2015 to the date of share swap, the Company has the controlling power and the percentage of shareholding in such company at 99.99% through swap shares of Mr. Taksin Tantipijit and other persons.

**FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARY**

Financial Statements

For the Year Ended December 31, 2017

and Report of Certified Public Accountant

M.R. & ASSOCIATES CO., LTD.

Certified Public Accountants

REPORT OF CERTIFIED PUBLIC ACCOUNTANT

To the Shareholders and the Board of Directors of Firetrade Engineering Public Company Limited

Opinion

I have audited the consolidated financial statements of Firetrade Engineering Public Company Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at December 31, 2017, and the consolidated statement of comprehensive income, the consolidated statement of changes in shareholders' equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. I have also audited the separate financial statements of Firetrade Engineering Public Company Limited, which comprise the separate statement of financial position as at December 31, 2017, and the separate statement of comprehensive income, the separate statement of changes in shareholders' equity and the separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Firetrade Engineering Public Company Limited and its subsidiary as at December 31, 2017, and their consolidated financial performance and their consolidated cash flows for the year then ended, and the accompanying separate financial statements present fairly, in all material respects, the financial position of Firetrade Engineering Public Company Limited as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and the Separate Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and the separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with this requirement. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matter

Key audit matter is the matter that, in my professional judgment, was of most significance in my audit of the consolidated and the separate financial statements of the current period. This matter was addressed in the context of my audit of the consolidated and the separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

Recognition of revenue from project works

The Group recognized revenues from project works based on the percentage of completion of project works which is estimated by reference to the projection of project work cost incurred for work performed up to date and estimate of total project work cost and compared with the percentage of completion of project works which estimated by engineers. The Group's management shall use their significant judgments to estimate the percentage of completion of project works and the estimate of total project work cost. Because revenues from project works recognized in the statement of comprehensive income is significant, I identified revenues recognition from project works to be significantly areas impact the financial statements.

Significant accounting policies and other information relating to revenue recognition, estimation of project work costs and provision for loss on project works are disclosed in notes 3 and 13 to the financial statements.

Key audit procedures included:

- Gain understanding and performing test of design and implementation of the relevant controls over recognize project work cost process and examine costs of project works.
- Inquiring the management and project engineer, gain understanding the Group's process to assess the percentage of completion and estimate the project work costs and determine the reasonable of these processes.
- Analytical review the percentage of completion estimated by engineers and the percentage of completion determined through a comparison of project work costs incurred throughout the period to the total estimated project work costs.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated and the separate financial statements as well as my auditor's report thereon. The aforesaid other information is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and the separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and the separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and the separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the aforesaid other information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to audit committee in order that they shall acknowledge and arrange the correction on such misstatement as appropriate.

Responsibilities of Management and Audit Committee for the Consolidated and the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and the separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated and the separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and the separate financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, the matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and the Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements and the separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and the separate financial statements, including the disclosures, and whether the consolidated and the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and the separate financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with audit committee, I determine those matters that were of most significance in the audit of the consolidated and the separate financial statements of the current period and are, therefore, the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(Mr. Methee Ratanasrimetha)
Certified Public Accountant
Registration No. 3425

M.R. & ASSOCIATES CO., LTD.
Bangkok
February 20, 2018

FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017 AND 2016

ASSETS

		In Thousand Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Note		2017	2016	2017	2016
CURRENT ASSETS					
	Cash and cash equivalents	310,797	11,478	306,665	7,260
	Trade and other accounts receivable				
	- Related parties	431	338	4,560	17,218
	- Others	228,564	196,121	208,153	169,394
	Unbilled project works in progress	59,149	51,309	55,815	25,674
	Short-term loans to related party and interest receivable	-	-	19,065	24,883
	Inventories	251,387	189,713	238,780	176,932
	Other current assets	482	682	471	330
	Total Current Assets	850,810	449,641	833,509	421,691
NON-CURRENT ASSETS					
	Deposits at financial institutions under pledge	4,475	4,520	4,347	4,300
	Investment in subsidiary	-	-	4,849	4,849
	Equipment	11,418	12,462	11,329	12,343
	Intangible assets	4,166	4,291	4,039	4,149
	Land not use in operation	3,907	3,907	3,907	3,907
	Deferred tax assets	4,078	4,101	3,900	3,723
	Other non-current assets	1,965	1,808	1,966	1,803
	Total Non-Current Assets	30,009	31,089	34,337	35,074
	TOTAL ASSETS	880,819	480,730	867,846	456,765

The accompanying notes are an integral part of these financial statements.

FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017 AND 2016

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Thousand Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Note		2017	2016	2017	2016
CURRENT LIABILITIES					
Bank overdrafts and short-term borrowings from financial institutions					
12		-	53,614	-	53,614
Trade and other accounts payable					
4	- Related parties	171	81	166	3,607
13	- Others	108,179	94,495	100,012	86,457
	Income tax payable	10,252	7,155	9,267	3,598
4, 14	Other current liabilities	11,390	4,678	9,766	4,375
	Total Current Liabilities	129,992	160,023	119,211	151,651
NON-CURRENT LIABILITY					
15	Liability for post-employment benefits	7,925	5,078	7,571	4,877
	Total Liabilities	137,917	165,101	126,782	156,528
SHAREHOLDERS' EQUITY					
Share capital					
16	- Authorized share capital	300,000	300,000	300,000	300,000
16	- Issued and paid-up share capital	300,000	225,000	300,000	225,000
16	Share premium	346,480	-	346,480	-
Retained earnings					
17	- Appropriated for legal reserve	16,700	9,372	16,700	9,372
	- Unappropriated	79,623	81,158	77,785	65,766
Other components of shareholders' equity					
1	- Share premium on business restructuring under common control	99	99	99	99
	Total Shareholders' Equity	742,902	315,629	741,064	300,237
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	880,819	480,730	867,846	456,765

The accompanying notes are an integral part of these financial statements.

FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

In Thousand Baht					
		Consolidated		Separate	
		financial statements		financial statements	
Note	2017	2016	2017	2016	
REVENUES					
Revenues from sales	4	655,717	628,412	642,894	615,057
Revenues from project works and services	4	319,619	194,150	280,471	145,154
Dividend income	4, 8, 24	-	-	27,513	-
Gain on exchange rate		4,761	2,252	4,416	2,367
Other income	4	6,647	4,717	6,370	5,066
Total Revenues		986,744	829,531	961,664	767,644
EXPENSES					
Costs of sales of goods	4	474,583	468,410	471,498	465,219
Costs of project works and rendering of services		241,242	150,284	214,895	121,630
Distribution costs		63,665	58,644	58,526	55,380
Administrative expenses		47,532	42,358	46,915	38,712
Finance costs		1,554	1,249	1,554	1,125
Total Expenses		828,576	720,945	793,388	682,066
Profit before Income Tax		158,168	108,586	168,276	85,578
Income Tax Expense	18	27,520	21,385	24,120	16,620
PROFIT FOR THE YEAR		130,648	87,201	144,156	68,958
Other comprehensive income for the year					
Item that will not be reclassified subsequently to profit or loss					
- Loss on remeasurements of defined benefit plans - net of tax effect					
	15, 18	(955)	-	(909)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		129,693	87,201	143,247	68,958

The accompanying notes are an integral part of these financial statements.

FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF COMPREHENSIVE INCOME (Continued)
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

		In Thousand Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Note		2017	2016	2017	2016
Profit attributable to:					
	- Equity holders of the parent	130,648	84,564	144,156	68,958
	- Equity holders of former shareholders before business restructuring	-	2,505	-	-
	- Equity holders of non-controlling interests	-	132	-	-
		<u>130,648</u>	<u>87,201</u>	<u>144,156</u>	<u>68,958</u>
Total comprehensive income attributable to:					
	- Equity holders of the parent	129,693	84,564	143,247	68,958
	- Equity holders of former shareholders before business restructuring	-	2,505	-	-
	- Equity holders of non-controlling interests	-	132	-	-
		<u>129,693</u>	<u>87,201</u>	<u>143,247</u>	<u>68,958</u>
Basic Earnings per Share (Baht)					
	- Equity holders of the parent	<u>0.25</u>	<u>0.41</u>	<u>0.28</u>	<u>0.34</u>
Weighted Average Number of Outstanding Ordinary Shares (Thousand Shares)					
		<u>515,753</u>	<u>204,000</u>	<u>515,753</u>	<u>204,000</u>

The accompanying notes are an integral part of these financial statements.

**FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

Consolidated financial statements (In Thousand Baht)										
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity		Equity holders of former shareholders		Total shareholders' equity
				Appropriated for legal reserve	Unappropriated	Share premium on business restructuring under common control	Total equity holders of the parent	before business restructuring	Non-controlling interests	
Balance as at January 1, 2016		20,000	-	5,872	283,114	-	308,986	22,954	1,208	333,148
Porfit for the year		-	-	84,564	-	-	84,564	2,505	132	87,201
Other comprehensive income for the year		-	-	-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	84,564	-	84,564	2,505	132	87,201
Issuance of share capital for business restructuring under common control	1, 16	4,750	-	-	-	-	4,750	(4,513)	(237)	-
Share premium on business restructuring under common control	1	-	-	-	-	99	99	(94)	(5)	-
Proceeds from increase share capital	16	200,250	-	-	-	-	200,250	-	-	200,250
Appropriated for legal reserve	17	-	-	3,500	(3,500)	-	-	-	-	-
Dividend paid	24	-	-	-	(283,020)	-	(283,020)	(20,852)	(1,098)	(304,970)
Balance as at December 31, 2016		225,000	-	9,372	81,158	99	315,629	-	-	315,629
Porfit for the year		-	-	130,648	-	-	130,648	-	-	130,648
Other comprehensive expense for the year		-	-	(955)	-	-	(955)	-	-	(955)
Total comprehensive income for the year		-	-	129,693	-	-	129,693	-	-	129,693
Proceeds from initial public offering	16	75,000	346,480	-	-	-	421,480	-	-	421,480
Appropriated for legal reserve	17	-	-	7,328	(7,328)	-	-	-	-	-
Dividend paid	24	-	-	-	(123,900)	-	(123,900)	-	-	(123,900)
Balance as at December 31, 2017		300,000	346,480	16,700	79,623	99	742,902	-	-	742,902

The accompanying notes are an integral part of these financial statements.

**FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

		Separate financial statements (In Thousand Baht)					
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Total	
				Appropriated for legal reserve	Unappropriated		
		Other components of shareholders' equity				Total shareholders' equity	
				Share premium on business restructuring under common control			
Balance as at January 1, 2016		20,000	-	5,872	283,328	-	309,200
Profit for the year		-	-	-	68,958	-	68,958
Other comprehensive income for the year		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	68,958	-	68,958
Issuance of share capital for business restructuring under common control	1, 16	4,750	-	-	-	-	4,750
Share premium on business restructuring under common control	1	-	-	-	-	99	99
Proceeds from increase share capital	16	200,250	-	-	-	-	200,250
Appropriated for legal reserve	17	-	-	3,500	(3,500)	-	-
Dividend paid	24	-	-	-	(283,020)	-	(283,020)
Balance as at December 31, 2016		<u>225,000</u>	<u>-</u>	<u>9,372</u>	<u>65,766</u>	<u>99</u>	<u>300,237</u>
Profit for the year		-	-	-	144,156	-	144,156
Other comprehensive expense for the year		-	-	-	(909)	-	(909)
Total comprehensive income for the year		-	-	-	143,247	-	143,247
Proceeds from initial public offering	16	75,000	346,480	-	-	-	421,480
Appropriated for legal reserve	17	-	-	7,328	(7,328)	-	-
Dividend paid	24	-	-	-	(123,900)	-	(123,900)
Balance as at December 31, 2017		<u>300,000</u>	<u>346,480</u>	<u>16,700</u>	<u>77,785</u>	<u>99</u>	<u>741,064</u>

The accompanying notes are an integral part of these financial statements.

FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	In Thousand Baht			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2017	2016	2017	2016
Cash flows from operating activities				
Profit for the year	130,648	87,201	144,156	68,958
Adjustments for				
Increase (decrease) in bad debts and allowance for doubtful accounts	(2,668)	2,644	(1,778)	1,694
Increase (decrease) in allowance for diminution in value of obsolete and slow-moving inventories	240	(858)	322	(719)
Depreciation and amortization expense	3,943	3,051	3,887	3,013
Gain on sales of current investments	-	(226)	-	(226)
Gain on sales of equipment	(1)	(1,346)	(1)	(1,346)
Loss on written-off equipment	-	48	-	44
Unrealized loss (gain) on exchange rate	(151)	448	(153)	408
Unrealized loss on remeasurement of derivatives	227	-	227	-
Provision of fine for delay works	-	180	-	-
Expenses for post-employment benefits	1,653	1,278	1,558	1,210
Dividend income	-	-	(27,513)	-
Interest income	(967)	(381)	(1,932)	(491)
Interest expense	1,554	1,249	1,554	1,125
Income tax expense	27,520	21,385	24,120	16,620
	<u>161,998</u>	<u>114,673</u>	<u>144,447</u>	<u>90,290</u>
Changes in operating assets and liabilities				
Decrease (increase) in operating assets:				
Trade and other accounts receivable	(29,868)	11,321	(24,323)	4,685
Unbilled project works in progress	(7,840)	(22,943)	(30,141)	(2,720)
Inventories	(61,914)	29,426	(62,170)	31,455
Other current assets	177	61	(164)	31
Deposits at financial institutions under pledge	45	(137)	(47)	(596)
Other non-current assets	(157)	35	(163)	40
Increase (decrease) in operating liabilities:				
Trade and other accounts payable	13,698	(22,949)	10,040	(28,650)
Other current liabilities	6,722	(224)	5,401	142
Cash receipt from operation	82,861	109,263	42,880	94,677
Income tax paid	(24,161)	(18,627)	(18,401)	(16,182)
Net cash provided by operating activities	<u>58,700</u>	<u>90,636</u>	<u>24,479</u>	<u>78,495</u>

The accompanying notes are an integral part of these financial statements.

FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CASH FLOWS (Continued)
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Cash flows from investing activities				
Interest received	990	359	1,973	386
Dividend received	-	-	27,513	-
Decrease (increase) in short-term loans to related party	-	-	5,800	(24,800)
Increase in current investments	-	(30,000)	-	(30,000)
Proceeds from sale of current investments	-	30,226	-	30,226
Purchases of equipment	(2,310)	(6,614)	(2,299)	(6,583)
Proceeds from sale of equipment	2	1,544	2	1,544
Increase in computer software	(465)	(2,805)	(465)	(2,662)
Net cash provided by (used in) investing activities	(1,783)	(7,290)	32,524	(31,889)
Cash flows from financing activities				
Interest paid	(1,564)	(1,999)	(1,564)	(1,701)
Increase (decrease) in bank overdrafts and short-term borrowings from financial institutions	(53,614)	53,614	(53,614)	53,614
Decrease in short-term borrowings from related parties	-	(82,821)	-	(70,261)
Proceeds from increase share capital and initial public offering	421,480	200,250	421,480	200,250
Dividend paid	(123,900)	(304,970)	(123,900)	(283,020)
Net cash provided by (used in) financing activities	242,402	(135,926)	242,402	(101,118)
Net increase (decrease) in cash and cash equivalents	299,319	(52,580)	299,405	(54,512)
Cash and cash equivalents at beginning of the year	11,478	64,058	7,260	61,772
Cash and cash equivalents at end of the year	310,797	11,478	306,665	7,260
Supplementary disclosures of cash flow information:				
a) Cash and cash equivalent at end of the year				
Cash in hand	55	55	50	50
Current accounts at banks	6,895	6,318	2,900	2,396
Savings deposits at banks	303,847	5,105	303,715	4,814
	310,797	11,478	306,665	7,260
b) Swap the Company's increase ordinary shares with the subsidiary's ordinary shares	-	-	-	4,750

The accompanying notes are an integral part of these financial statements.

**FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARY
Notes to Financial Statements
December 31, 2017 and 2016**

1. GENERAL AND BUSINESS RESTRUCTURING

General

Firetrade Engineering Public Company Limited (“the Company”) was incorporated as a limited company under the Civil and Commercial Code of Thailand on November 2, 1999 and has its registered office at 21/57-58 Soi Soonvijai, Rama 9 Road, Bangkapi District, Huaykwang Sub-district, Bangkok 10310.

On August 8, 2016, the Company was registered the legal transformation of juristic person from being limited company under the Civil and Commercial Code to limited public company under the Limited Public Company Act B.E. 2535 and the Company was registered as the listed entity in the Stock Exchange of Thailand (“SET”) on July 27, 2017.

The Company is engaged in sales of fire protection equipment and systems, design, installation, repair and maintenance the fire protection systems.

Business Restructuring

On July 28, 2016, the Company took its increase share capital 47,500 ordinary shares to swap with the investment in 19,998 ordinary shares of Fire Inspectors Co., Ltd. (“the subsidiary”), 99.99% of shareholding as if it was a business combination of entity under common control which considered as the Company is the parent company of the subsidiary, 95% of shareholding, before January 1, 2016. Consequently, the Company prepared the consolidated financial statements which included the financial statements of the subsidiary before January 1, 2016. Such presentation reflects the economic substances of the entities in the group which are under common control throughout the related time as thought the entities in the group operated as one economic unit before January 1, 2016, although the legal form of the relationship between the Company and the subsidiary incurred later. The difference between the net book value of net assets of the subsidiary as at business restructuring date and cost of business restructuring under common control amounted to Baht 0.10 million was presented under “Share premium on business restructuring under common control” under shareholders’ equity in the consolidated financial statements (see Note 16).

Net book value of assets and liabilities of the investment in ordinary shares of the subsidiary as at the business restructuring under common control and the swap of Company’s increase share capital 47,500 ordinary shares at Baht 100 par value with the subsidiary’s 19,998 ordinary shares from the existing shareholders of the subsidiary as discussed above were as follows:

**FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARY
Notes to Financial Statements (Continued)
December 31, 2017 and 2016**

Net book value of assets and liabilities as of the business restructuring date

	<u>In Thousand Baht</u>
Cash and cash equivalents	10,445
Trade and other accounts receivable	
- Related parties	2,075
- Others	11,367
Unbilled project works in progress	1,730
Inventories	7,401
Other current assets	236
Deposits at financial institutions under pledge	355
Equipment	108
Deferred tax assets	235
Other non-current assets	27
Trade and other accounts payable	
- Related parties	(1,745)
- Others	(24,531)
Income tax payable	(20)
Other current liabilities	(2,661)
Liability for post-employment benefits	(173)
Total net assets of the subsidiary	<u>4,849</u>
Less: 47,500 ordinary shares at Baht 100 par value	<u>(4,750)</u>
Share premium on business restructuring under common control	<u>99</u>

2. BASIS FOR FINANCIAL STATEMENT PREPARATION

The accompanying financial statements are prepared in Thai Baht, which is the core functional currency, and in the Thai language in conformity with the financial reporting standards in Thailand. Accordingly, the accompanying financial statements are intended solely to present the financial position, results of operations and cash flows in accordance with the financial reporting standards in Thailand.

The consolidated financial statements, comprised of the financial statements of the Company and its subsidiary (hereinafter referred to as “the Group”). The Company’s subsidiary, i.e. Fire Inspector Co., Ltd., was incorporated in Thailand on May 11, 2007 to be engaged in sales, installation and provide service for all types of fire protection equipment and systems. The Company has the controlling power and the percentage of shareholding in such company at 99.99% (see Notes 1, 8 and 16).

Significant intra-group transactions between the Company and its subsidiary are eliminated in the preparation of the consolidated financial statements.

Except as otherwise disclosed in the accounting policies, the accompanying financial statements have been prepared under the historical cost convention.

The Group disclosed information for the year ended December 31, 2016, for comparative propose, in the financial statement for the year ended December 31, 2017 in the form of corresponding figures.

For convenience of the readers, an English translation of the financial statements has been prepared from the Thai language statutory financial statements that are issued for the above mentioned purposes.

**FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARY
Notes to Financial Statements (Continued)
December 31, 2017 and 2016**

Starting from January 1, 2017, the Group had adopted Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), Thai Accounting Interpretation (TSIC), and Thai Financial Reporting Interpretation (TFRIC), revised and newly issued by FAP, which became effective from the accounting period starting on or after January 1, 2017. The aforesaid adoption of new and revised TAS and TFRS as well as TSIC and TFRIC did not have any material effect on the Group.

Subsequently, FAP issued several Notifications which were announced in the Royal Gazette during 2017 regarding the revision of aforesaid TAS and TFRS as well as TSIC and TFRIC with effective from the accounting period starting on or after January 1, 2018 whereby the Group had not yet adopted in the preparation of the accompanying financial statements and has no policy to early adopt before effective period. Such revised TAS and TFRS as well as TSIC and TFRIC are as follows:

TAS 1 (revised 2017)	Presentation of Financial Statements
TAS 2 (revised 2017)	Inventories
TAS 7 (revised 2017)	Statement of Cash Flows
TAS 8 (revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2017)	Events after the Reporting Period
TAS 11 (revised 2017)	Construction Contracts
TAS 12 (revised 2017)	Income Taxes
TAS 16 (revised 2017)	Property, Plant and Equipment
TAS 17 (revised 2017)	Leases
TAS 18 (revised 2017)	Revenue
TAS 19 (revised 2017)	Employee Benefits
TAS 20 (revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2017)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2017)	Borrowing Costs
TAS 24 (revised 2017)	Related Party Disclosures
TAS 26 (revised 2017)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2017)	Separate Financial Statements
TAS 28 (revised 2017)	Investments in Associates and Joint Ventures
TAS 29 (revised 2017)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2017)	Earnings per Share
TAS 34 (revised 2017)	Interim Financial Reporting
TAS 36 (revised 2017)	Impairment of Assets
TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2017)	Intangible Assets
TAS 40 (revised 2017)	Investment Property
TAS 41 (revised 2017)	Agriculture
TFRS 2 (revised 2017)	Share-based Payment
TFRS 3 (revised 2017)	Business Combinations
TFRS 4 (revised 2017)	Insurance Contracts
TFRS 5 (revised 2017)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2017)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2017)	Operating Segments
TFRS 10 (revised 2017)	Consolidated Financial Statements
TFRS 11 (revised 2017)	Joint Arrangements
TFRS 12 (revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2017)	Fair Value Measurement

**FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED
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Notes to Financial Statements (Continued)
December 31, 2017 and 2016**

TSIC 10 (revised 2017)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2017)	Operating Leases - Incentives
TSIC 25 (revised 2017)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2017)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2017)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2017)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2017)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2017)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2017)	Applying the Restatement Approach under TAS 29 “Financial Reporting in Hyperinflationary Economies”
TFRIC 10 (revised 2017)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2017)	Service Concession Arrangements
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 14 (revised 2017)	TAS 19 (revised 2017) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2017)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2017)	Transfers of Assets from Customers
TFRIC 20 (revised 2017)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2017)	Levies

Management of the Group has preliminarily assessed and believed that there will be no material effect to the financial statements of the Group upon adoption of the aforesaid revised TAS and TFRS as well as TSIC and TFRIC.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary (together referred to as “the Group”).

Significant intercompany transactions between the Company and its subsidiary included in the consolidated financial statements have been eliminated.

**FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARY
Notes to Financial Statements (Continued)
December 31, 2017 and 2016**

Subsidiary

Subsidiary is a company controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company as well as the variable returns from a company so as to obtain benefits from its activities. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. Accounting policies of the subsidiary was necessarily transformed for uniformity with the Company's policies.

The Company accounts for its investment in subsidiary in the separate financial statements by the cost method and stated such investment at cost net of allowance for impairment (if any).

Accounting for acquisitions of non-controlling interests

Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity. When an entity loses control of a subsidiary, investment retained in the former subsidiary is measured at its fair value while any gain or loss is recognized in the statement of comprehensive income.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and deposits at financial institutions. Cash equivalents are highly liquid short-term investments that are readily convertible to known amounts of cash with original maturity of three months or less and without restriction in use or being collateralized and that are subject to an insignificant risk of change in value.

Cash at banks which have restrictions in use or being collateralized are presented separately as "Deposits at financial institutions under pledge" under non-current assets in the statement of financial position.

Trade Accounts Receivable and Allowance for Doubtful Accounts

Trade accounts receivable is stated at invoice value less allowance for doubtful accounts (if any).

The allowance for doubtful accounts is assessed based on analysis of payment histories, monitoring on the current status of debtors, and future expectations of debtors' payments. Bad debts are written-off when incurred.

Inventories

Inventories are stated at the lower of cost, first-in first-out method, net of allowance for diminution in value, and net realizable value.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated incremental costs necessary to sales.

Allowance for diminution in value is made for obsolete and slow-moving inventories.

**FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARY
Notes to Financial Statements (Continued)
December 31, 2017 and 2016**

Land and Equipment

Owned assets

Land not used is stated at cost less allowance for impairment (if any). Equipment is stated at cost less accumulated depreciation and allowance for impairment (if any). When assets are retired or disposed of, their carrying values are eliminated from the accounts and any gain or loss resulting from their retirement or disposal is included in the statement of comprehensive income. Costs of asset dismantlement, removal, and restoration (if any) are included as part of asset cost and subject to depreciation.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Equipment acquired by means of finance leases is capitalized at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and allowance for impairment (if any). Lease payments are apportioned between the financial charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Financial charges are charged directly to the statement of comprehensive income.

Depreciation

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the useful lives of each part of an item separately for each significant part of the assets. The useful lives are as follows:

	Years
Furniture	5
Office equipment	5 and 10
Fixtures	5
Tools	5
Vehicle	5

No depreciation is charged on land and assets under construction or installation.

Depreciation methods, useful lives and residual values of the assets are reviewed at each financial year-end and adjusted if appropriate.

Computer Software (other non-current assets)

Computer software is stated at cost less accumulated amortization and allowance for impairment (if any).

Amortization

Amortization is charged to the statement of comprehensive income on a straight-line basis over the useful lives of 3 years, 5 years and 10 years.

**FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARY
Notes to Financial Statements (Continued)
December 31, 2017 and 2016**

Impairment of Assets

The carrying amounts of the Group's assets are reviewed at each of the statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts (the higher of an asset's fair value less cost to sell or value in use) are estimated. The review is made for individual asset or for the cash-generating unit.

In case that the carrying amount of an asset exceeds its recoverable amount, the Group recognizes the impairment losses by reducing the carrying amount of the asset to be at its recoverable amount and recognizes in the statement of comprehensive income. The reversal of impairment losses, recognized in prior years, is recorded as part of other income when there is an indication that such impairment losses no longer exist or are decreased. The reversal of any impairment loss shall not exceed the asset's carrying amount, net of depreciation or amortization, that would have been determined had no impairment loss been recognized for the asset in prior years.

Trade and Other Accounts Payable

Trade and other accounts payable are stated at cost.

Employee Benefits

Salaries, wages, bonuses and contributions to social security fund are recognized as expenses upon their occurrences and on accrual basis.

Obligation on defined contribution plan which is the provident fund, is recognized as an expense in the statement of comprehensive income when contribution is made to the fund on an accrual basis.

Obligation in respect of post-employment benefits, which is compensation under labor protection acts, which will be settled to the employees upon retirement or termination, is recognized as liability and expense in the financial statements based on the amount calculated, using the projected unit credit method, by a qualified actuary by estimating the amount of future benefits that each employee has earned in return for his or her services in the prior and current periods. Expenses from the estimated liability for post-employment benefits, which are recognized as expenses in the statement of comprehensive income, comprise past service cost (if any), current service cost and interest cost which are recognized as profit or loss item. Actuarial gain/loss on measurement is recognized as other comprehensive income item. This employee benefit plan is unfunded and has no any incurrence of plan asset.

Provisions

A provision is recognized in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability.

**FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARY
Notes to Financial Statements (Continued)
December 31, 2017 and 2016**

Estimate installation project costs

The Company estimates costs of each installation projects based on details of the installation design, and calculate quantity and costs of material, labour and others which used to complete the projects and accompany with determine the trend of change in that costs. Estimate costs are reviewed regularly and whenever actual costs are significant difference from the estimate costs.

Provision for loss on installation project

Management exercise judgement to estimate the probable loss of each installation project, based on estimates the probable costs by determine progress of installation, actual costs together with change in costs of materials and labour and current situation.

Provision for Warranty

A provision for warranty is recognized when the goods were sold or services were rendered to the customers. Provision is determined based on historical warranty payment experience couple with a review of the possibility factors on incurrence of such damage.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Principal market is the market with the greatest volume and level of activity for the asset or liability. Market participants comprise buyers and sellers in the principal or most advantageous market for the asset or liability whereby market participants are independent of each other, knowledgeable and having a reasonable understanding, able to enter into a transaction for the asset or liability, and willing to enter into a transaction for the asset or liability.

To increase the consistency and comparability in fair value measurements and related disclosures in the financial statements, the fair value hierarchy is categorized into 3 levels with respect of the inputs to valuation techniques used to measure the fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (“Level 1 inputs”), secondary priority to other observable inputs (“Level 2 inputs”), and the lowest priority to unobservable inputs (“Level 3 inputs”).

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

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Revenues

Revenues exclude value added tax and are presented at amount net of trade discount.

Revenues from sales of goods

Revenues from sales of goods are recognized when the significant risks and rewards of ownership of goods have been transferred to the buyer. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Revenues from project works

Revenues from project works include the initial amount agreed in the contract plus any variations in project works, claims and incentive payments if revenue is probable incurred and reliable measure. When project works are reliable estimated, revenue and cost of project works are recognized in the statement of comprehensive income in proportion of the stage of completion of project work.

The stage of completion of project work is estimated by reference to the proportion of project work cost is incurred for work performed upto date and estimate of total project work cost.

If the estimate of project work is unreliable, revenue from project work will be recognized not excess the project work cost is incurred and probably recoverable.

When it is probable that total project work costs will be exceed total revenue from project work, the expected loss of project work will be recognized in the statement of comprehensive income.

The part of completed project work, which has not yet been delivered for acceptance and billing, is recorded as unbilled project work in progress.

Rental income

Rental income under operating leases is recognized in the statement of comprehensive income on a straight line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income. Contingent rentals are recognized as income in the accounting period in which they are earned.

Service income

Service income is recognized when the services were rendered to customers.

Interest, other income and dividend income

Interest and other income are recognized on an accrual basis.

Dividend income is recognized on the date that the right to receive dividend income is established.

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Expenses

Operating leases

Payments made under operating leases are recognized in the statement of comprehensive income on a straight-line basis over the term of the lease. Contingent rentals are charged to the statement of comprehensive income in the accounting period of incurrence.

Finance costs

Interest expense and similar costs are charged to the statement of comprehensive income in the period of incurrence, except for the extent that they are capitalized as being directly attributable to the acquisition, construction or installation of an asset which necessarily takes a substantial period of time to be prepared until readiness for its intended use or sale. The interest component of finance lease payments is recognized in the statement of comprehensive income using the effective interest rate method.

Use of Estimates

In order to prepare financial statements in conformity with the financial reporting standards, management needs to make estimates and set assumptions that affect income, expenditure, assets and liabilities in order to disclose information on the valuation of assets, liabilities and contingent liabilities. Actual outcomes may, therefore, differ from the estimates used.

The estimates and underlying assumptions used in the preparation of these financial statements are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The significant estimates and underlying assumptions used in preparation of these financial statements which may be affected by significant uncertainty are as follows:

- Allowance for doubtful accounts of trade accounts receivable
- Allowance for diminution in value of inventories and determine impairment of assets
- Useful lives and residual values of equipment
- Assumptions used in calculation of liability for post-employment benefits
- Expected periods that deferred tax assets will be realized
- Fair values and fair value measurements of financial assets, financial liabilities and financial instruments

Foreign Currency Transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized in the statement of comprehensive income.

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Non-monetary assets and liabilities, measured at cost, denominated in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

Derivative Financial Instruments

Derivative financial instruments are used, in the appropriate time, to manage exposure to foreign exchange and interest rate risks arising from operating and financing activities. Derivative financial instruments are not intended to use for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognized initially at fair value. Subsequent to initial recognition, they are remeasured at fair value. Gain or loss on remeasurement to fair value is recognized as profit or loss item in the statement of comprehensive income.

Income Tax

Income tax expense for the year comprises current tax and deferred tax.

Current tax is the amount of income tax payable or recoverable in respect of the taxable profit or loss for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they are reversed, based on the applicable laws that have been enacted at the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4. TRANSACTIONS WITH RELATED PARTIES

Related parties are those parties controlled by the Group, directly or indirectly able to control the Group, or having significant influence to govern the financial or operating policies of the Group.

The related parties consisted of:

Party's Name	Type of Business	Relationship
Fire Inspector Co., Ltd.	Sales, installation and provide service for all types of protection equipment and systems	Subsidiary
Safety Factory Co., Ltd.	Sales of security instruments and equipment and provide all types of security engineering service	Co-shareholders and directors

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Party's Name	Type of Business	Relationship
Econlite Manufacturing (Thailand) Co., Ltd.	Produce and sales of lightening equipment, warning light and all types of emergency generator	Co-shareholders and directors
S.I. Firetrade Co., Ltd.	Sales of printer, printing ink, spare parts, component of packaging printer, installation, maintenance and lease printer and packaging printer	Co-shareholders and directors
Khun Taksin Tantipijit	-	The Company's shareholder and director
Khun Pattamaporn Tantipijit	-	The Company's shareholder and director
Khun Sukkamol Wutthimetha	-	The Company's shareholder

The pricing policies for particular types of transactions were as follows:

Type of Transaction	Pricing Policies
Revenues from sales of goods	Cost plus mutually agreed margin
Revenues from services	Cost plus mutually agreed margin
Rental and other income	Negotiated agreement
Gain on disposals of equipment	Market price and mutually agreed amount
Purchases of goods	Cost plus mutually agreed margin
Engineering and warehousing service charges	Cost plus mutually agreed margin
Short-term loans to and short-term borrowings from	Mutually agreed interest rate
Guarantees the Company's credit facilities by directors and directors' assets	No guarantee charge

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Significant transactions with related parties for the years ended December 31, 2017 and 2016 were as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Revenues from sales of goods	1,144	698	15,828	22,263
Revenues from services	-	-	2,714	3,050
Dividend income	-	-	27,513	-
Interest income	-	-	984	132
Gain on sales of equipment	-	477	-	477
Other income	1,327	1,144	1,661	1,408
Purchases of goods	1,136	285	6,160	11,714
Engineering and warehousing service charges	31	19	217	2,093
Interest expense	-	1,184	-	1,060
Remuneration of key management				
- Short-term benefits	15,305	12,499	13,664	11,021
- Post-employment benefits	1,159	955	1,047	871
Total	16,464	13,454	14,711	11,892

Balances with related parties as at December 31, 2017 and 2016 were as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade and other accounts receivable				
- <i>Trade accounts receivable</i>				
Fire Inspector Co., Ltd.	-	-	4,113	16,835
Safety Factory Co., Ltd.	411	257	411	257
Total	411	257	4,524	17,092
- <i>Other accounts receivable</i>				
Fire Inspector Co., Ltd.	-	-	16	45
S.I. Firetrade Co., Ltd.	5	58	5	58
Safety Factory Co., Ltd.	3	23	3	23
Econlite Manufacturing (Thailand) Co., Ltd.	12	-	12	-
Total	20	81	36	126
Total trade and other accounts receivable	431	338	4,560	17,218

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	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
The trade accounts receivable were aged as follows:				
Current	410	257	4,269	16,290
Overdue:				
- Not over 3 months	1	-	255	802
Total	<u>411</u>	<u>257</u>	<u>4,524</u>	<u>17,092</u>
Short-term loans to and interest receivable				
<i>Fire Inspector Co., Ltd.</i>				
- Short-term loans to	-	-	19,000	24,800
- Interest receivable	-	-	65	83
Total short-term loans to and interest receivable	<u>-</u>	<u>-</u>	<u>19,065</u>	<u>24,883</u>
Trade and other accounts payable				
<i>- Trade accounts payable</i>				
Fire Inspector Co., Ltd.	-	-	-	3,330
Safety Factory Co., Ltd.	159	71	159	71
Econlite Manufacturing (Thailand) Co., Ltd.	7	8	3	8
S.I. Firetrade Co., Ltd.	3	-	2	-
Total	<u>169</u>	<u>79</u>	<u>164</u>	<u>3,409</u>
<i>- Other accounts payable</i>				
Fire Inspector Co., Ltd.	-	-	-	196
Safety Factory Co., Ltd.	2	2	2	2
Total	<u>2</u>	<u>2</u>	<u>2</u>	<u>198</u>
Total trade and other accounts payable	<u>171</u>	<u>81</u>	<u>166</u>	<u>3,607</u>
Other current liabilities				
<i>- Refundable deposits</i>				
S.I. Firetrade Co., Ltd.	100	100	100	100
Safety Factory Co., Ltd.	26	26	26	26
Fire Inspector Co., Ltd.	-	-	22	22
Total	<u>126</u>	<u>126</u>	<u>148</u>	<u>148</u>

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Movements during the years ended December 31, 2017 and 2016 of short-term loans to and short-term borrowings from related parties were as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Short-term loans to				
Balance as at January 1	-	-	24,800	-
Increase	-	-	9,000	24,800
Decrease	-	-	(14,800)	-
Balance as at December 31	-	-	19,000	24,800
Short-term borrowings from				
Balance as at January 1	-	82,821	-	70,261
Increase	-	27,500	-	24,000
Decrease	-	(110,321)	-	(94,261)
Balance as at December 31	-	-	-	-

5. TRADE AND OTHER ACCOUNTS RECEIVABLE - OTHERS

As at December 31, 2017 and 2016, the Group had outstanding balance of trade and other accounts receivable – others, were as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<i>- The trade accounts receivable were aged as follows:</i>				
Current	111,178	115,085	101,091	90,697
Overdue:				
- Not over 3 months	88,954	63,552	81,802	62,053
- Over 3 months to 6 months	8,806	4,520	8,806	4,520
- Over 6 months to 12 months	5,344	4,965	5,125	3,844
- Over 12 months	3,123	4,319	3,063	4,149
Total	217,405	192,441	199,887	165,263
Less allowance for doubtful accounts	(4,117)	(7,364)	(4,057)	(6,414)
Net	213,288	185,077	195,830	158,849

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	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
- <i>Other accounts receivable</i>				
Retention receivables	8,220	804	6,106	371
Advances paid to installation contractors	721	2,670	721	2,670
Other prepaid expenses	5,206	7,363	5,095	7,299
Other receivables	1,129	207	401	205
Total	<u>15,276</u>	<u>11,044</u>	<u>12,323</u>	<u>10,545</u>
Total trade and other accounts receivable	<u>228,564</u>	<u>196,121</u>	<u>208,153</u>	<u>169,394</u>

6. INVENTORIES

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Merchandise	218,958	175,525	211,856	165,782
Goods in transit	38,906	20,425	32,924	16,828
Total	<u>257,864</u>	<u>195,950</u>	<u>244,780</u>	<u>182,610</u>
<u>Less</u> allowance for diminution in value of obsolete and slow-moving inventories	<u>(6,477)</u>	<u>(6,237)</u>	<u>(6,000)</u>	<u>(5,678)</u>
Total	<u>251,387</u>	<u>189,713</u>	<u>238,780</u>	<u>176,932</u>

7. DEPOSITS AT FINANCIAL INSTITUTIONS UNDER PLEDGE

As at December 31, 2017, the Group and the Company had fixed deposits with two local banks amounting to Baht 4.5 million and Baht 4.4 million, respectively (2016 : Baht 4.5 million and Baht 4.3 million, respectively) which are pledged as collateral for the credit facilities with these local banks (see Note 11).

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8. INVESTMENT IN SUBSIDIARY ACCOUNTED FOR USING THE COST METHOD

As at December 31, 2017 and 2016, the details of investment in subsidiary in the separate financial statements were as follows:

	In Thousand Baht		%	In Thousand Baht		In Thousand Baht
	Authorized and paid-up share capital	2017		2016	Cost method	
Fire Inspector Co., Ltd.	2,000	2,000	99.99	4,849	27,513	-
				4,849	27,513	-

Note : See Note 16 and 24.

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9. EQUIPMENT

	Consolidated financial statements (In Thousand Baht)					
	Furniture	Equipment	Fixtures	Tools	Vehicle	Total
Cost						
Balance as at January 1, 2016	2,902	7,356	1,260	3,300	16,248	31,066
Additions	394	1,422	11	685	4,102	6,614
Deductions	(328)	(2,077)	(465)	(356)	(2,292)	(5,518)
Balance as at December 31, 2016	2,968	6,701	806	3,629	18,058	32,162
Additions	49	795	86	209	1,171	2,310
Deductions	(4)	(8)	-	(512)	-	(524)
Balance as at December 31, 2017	3,013	7,488	892	3,326	19,229	33,948
Accumulated depreciation						
Balance as at January 1, 2016	2,231	5,248	658	2,262	11,877	22,276
Depreciation charge for the year	236	734	160	450	1,116	2,696
Deductions	(300)	(1,966)	(465)	(314)	(2,227)	(5,272)
Balance as at December 31, 2016	2,167	4,016	353	2,398	10,766	19,700
Depreciation charge for the year	252	848	171	468	1,615	3,354
Deductions	(4)	(8)	-	(512)	-	(524)
Balance as at December 31, 2017	2,415	4,856	524	2,354	12,381	22,530
Net book value						
As at December 31, 2016	801	2,685	453	1,231	7,292	12,462
As at December 31, 2017	598	2,632	368	972	6,848	11,418

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	Separate financial statements (In Thousand Baht)					
	Furniture	Office Equipment	Fixtures	Tools	Vehicle	Total
Cost						
Balance as at January 1, 2016	2,861	7,236	1,260	3,268	16,248	30,873
Additions	388	1,400	11	682	4,102	6,583
Deductions	(328)	(2,069)	(465)	(356)	(2,292)	(5,510)
Balance as at December 31, 2016	2,921	6,567	806	3,594	18,058	31,946
Additions	41	791	86	209	1,171	2,298
Deductions	(4)	(8)	-	(512)	-	(524)
Balance as at December 31, 2017	2,958	7,350	892	3,291	19,229	33,720
Accumulated depreciation						
Balance as at January 1, 2016	2,224	5,201	658	2,252	11,877	22,212
Depreciation charge for the year	228	712	160	443	1,116	2,659
Deductions	(300)	(1,962)	(465)	(314)	(2,227)	(5,268)
Balance as at December 31, 2016	2,152	3,951	353	2,381	10,766	19,603
Depreciation charge for the year	242	823	171	461	1,615	3,312
Deductions	(4)	(8)	-	(512)	-	(524)
Balance as at December 31, 2017	2,390	4,766	524	2,330	12,381	22,391
Net book value						
As at December 31, 2016	769	2,616	453	1,213	7,292	12,343
As at December 31, 2017	568	2,584	368	961	6,848	11,329

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The gross carrying amount of fully depreciated equipment of the Group which are still in use as at December 31, 2017 and 2016 were as follows:

	In Million Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Gross carrying amount of fully depreciated equipment	14.8	13.8	14.7	13.8

10. LAND NOT USED IN OPERATION

As at December 31, 2017 and 2016, land not used in operation were as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cost	4,241	4,241	4,241	4,241
Less Allowance for impairment of land	(334)	(334)	(334)	(334)
Total	<u>3,907</u>	<u>3,907</u>	<u>3,907</u>	<u>3,907</u>

11. CREDIT FACILITIES WITH FINANCIAL INSTITUTIONS

As at December 31, 2017 and 2016 the Group has credit facilities with various local banks were as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Bank overdrafts	1,000	31,000	1,000	31,000
Short-term borrowings	38,000	68,000	38,000	68,000
Letters of guarantee	53,000	42,900	50,000	39,900
Forward contracts	14,390	14,390	14,390	14,390
Total	<u>106,390</u>	<u>156,290</u>	<u>103,390</u>	<u>153,290</u>

As at December 31, 2017, the credit facilities are guaranteed by two directors and pledged a fixed deposit at bank of the Company and various fixed deposits at banks of a director as collateral.

Bank overdrafts bear interest at the rates of the pledged fixed deposits as collateral plus 2.0% per annum.

Short-term loans consist of promissory notes and trust receipts bear interest at the rates of MLR and MMR.

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**12. BANK OVERDRAFT AND SHORT-TERM LOANS
FROM FINANCIAL INSTITUTIONS**

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Bank overdraft	-	17,386	-	17,386
Promissory notes	-	30,000	-	30,000
Liabilities under trust receipts	-	6,228	-	6,228
Total	-	53,614	-	53,614

13. TRADE AND OTHER ACCOUNTS PAYABLE - OTHERS

As at December 31, 2017 and 2016, the Group had outstanding balance of trade and other accounts payable - others were as follows:

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Trade and other accounts payable				
- <i>Trade accounts payable</i>	87,838	63,117	80,506	57,335
- <i>Other accounts payable</i>				
Advance received from project works	3,543	19,319	3,543	18,118
Accrued commission	6,840	5,807	6,345	5,254
Accrued expenses	4,080	3,966	3,835	3,792
Other accounts payable	5,878	2,286	5,783	1,958
Total	20,341	31,378	19,506	29,122
Total trade and other accounts payable	108,179	94,495	100,012	86,457

Work in progress

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Progress billings	8,050	23,280	8,050	22,060
Less project work in progress	(4,507)	(3,961)	(4,507)	(3,942)
Advance received from project customers	3,543	19,319	3,543	18,118

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	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Project work in progress	303,229	156,492	289,354	120,384
Less progress billings	(242,769)	(103,872)	(232,228)	(93,399)
Unbilled project work in progress	60,460	52,620	57,126	26,985
Less allowance for doubtful accounts	(1,311)	(1,311)	(1,311)	(1,311)
Unbilled project work in progress - net	59,149	51,309	55,815	25,674

14. OTHER CURRENT LIABILITIES

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Revenue Department payable	8,374	2,393	7,029	2,324
Employees' deposit for damage guarantee	2,646	2,059	2,345	1,803
Others	370	226	392	248
Total	11,390	4,678	9,766	4,375

15. LIABILITY FOR POST-EMPLOYMENT BENEFITS

Movements of liability for post-employment benefits for the years ended December 31, 2017 and 2016 were as follows:

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Liability for post-employment benefits - as at January 1,	5,078	3,800	4,877	3,667
Current service cost	1,493	1,158	1,404	1,095
Interest cost	160	120	153	115
Expenses recognized as profit or loss in the statement of comprehensive income	1,653	1,278	1,557	1,210
<i>Item recognized as other comprehensive income in the statement of comprehensive income</i>				
Actuarial loss on measurement	1,194	-	1,137	-
Liability for post-employment benefits - as at December 31,	7,925	5,078	7,571	4,877

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Significant assumptions used in calculation of liability for post-employment benefits for the years ended December 31, 2017 and 2016 were as follows:

Description	Assumptions	
	2017	2016
Discount rate	2.73% and 2.93% per annum	3.14% and 3.51% per annum
Salary escalation rate	8.0% per annum	8.0% per annum
Employee turnover rates	0% to 33% per annum	0% to 30% per annum

16. SHARE CAPITAL

At the extraordinary shareholders' meeting held on July 28, 2016, the shareholders approved the following matters:

- a) Increase the Company's authorized share capital from Baht 20 million to Baht 225 million by newly issued share capital amounted to Baht 205 million (divided into 2,050,000 ordinary shares at Baht 100 par value). The allocations of the increasing shares are as follows:
 1. Allocated and offered increasing 2,002,500 ordinary shares to the existing shareholders according to the proportion of shareholding, and
 2. Allocated increasing 47,500 ordinary shares for purchase Fire Inspector Co., Ltd's 19,998 ordinary shares from its shareholders.

And modify the Company's Memorandum of Association in order to conform with the increase in authorized share capital. The Company registered the above increasing share capital with the Ministry of Commerce on August 1, 2016,

- b) Approve to purchase 19,998 ordinary shares of Fire Inspector Co., Ltd. from its shareholders and pay by increasing 47,500 ordinary shares of the Company. The result from this purchase, Fire Inspector becomes the Company's subsidiary (see Note 1),
- c) Approve to transform the limited company to public limited company and list the Company on the Stock Exchange of Thailand including initial public offering (IPO) and modify the Company's Memorandum of Association in order to conform with the transform the limited company to public limited company,
- d) Change the par value of authorized share from Baht 100 per share to Baht 0.50 per share,
- e) Increase the Company's authorized share capital from Baht 225 million by newly issued share capital amounted to Baht 75 million (divided into 150 million ordinary shares at Baht 0.50 par value) with totalling authorized share capital Baht 300 million (divided into 600 million ordinary shares at Baht 0.50 par value) and allocate the increasing shares for initial public offering (IPO).

The Company registered the change in par value of ordinary shares, and increase in share capital with the Ministry of Commerce on August 8, 2016,

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- f) Modify the Company's Articles of Association in order to conform with the transform the limited company to public limited company, and
- g) Approve to list the Company's ordinary shares on The Stock Exchange of Thailand.

On July 25, 2017, the Company received the proceeds from sell of its initial public offering of ordinary shares of Baht 442.5 million (newly issued 150 million ordinary shares at the price of Baht 2.95 per share) which was separately recorded as its share capital of Baht 75 million and premium on shares approximately Baht 346.5 million (net of expense on offering of ordinary shares totalling approximately Baht 21 million) as the separate item under "Shareholders' equity" in the statement of financial position as at December 31, 2017.

The Company had registered the increase in paid-up share capital with the Ministry of Commerce on July 25, 2017 and the Company's ordinary shares were accepted as the listed securities by The Stock Exchange of Thailand on July 27, 2017.

17. RESERVES

Share Premium

The share premium is set up under the provision of Section 51 of the Public Companies Act B.E. 2535, which requires that a company shall set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). The share premium is not available for dividend distribution.

Legal Reserve

The legal reserve is set up under the provisions of Section 116 of the Public Companies Act B.E. 2535, Section 116, which requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any) to a reserve account ("legal reserve") until this account reaches an amount not less than 10% of the authorized share capital. The legal reserve is not available for dividend distribution.

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18. INCOME TAX

Income tax recorded as expense for the years ended December 31, 2017 and 2016 consists of:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Current tax computed from accounting profit regarding the announced income tax rate	37,024	21,889	33,655	17,116
Effects from non-deductible expenses	(20)	501	151	287
Effects from additional deductible expenses	(9,746)	(452)	(9,736)	(442)
Current tax on taxable profit	27,258	21,938	24,070	16,961
Income tax attributable to other comprehensive income	239	-	227	-
Decrease (increase) in deferred tax assets	23	(553)	(177)	(341)
Income tax presented in profit or loss	<u>27,520</u>	<u>21,385</u>	<u>24,120</u>	<u>16,620</u>

Movements in deferred tax assets during the years ended December 31, 2017 and 2016 were as follows:

	Consolidated financial statements (In Thousand Baht)			
	For the year ended December 31, 2017			
	At January 1, 2017	Recognized in profit or loss	Recognized in other comprehensive income	At December 31, 2017
Allowance for doubtful accounts				
- trade accounts receivable	1,474	(649)	-	825
Allowance for diminution in value of inventories	1,248	47	-	1,295
Liability for post-employment benefits	1,014	331	239	1,584
Allowance for doubtful accounts				
- unbilled project work in progress	262	-	-	262
Allowance for impairment of land	67	-	-	67
Provisions of fine for delay delivery	36	(36)	-	-
Other	-	45	-	45
Total	<u>4,101</u>	<u>(262)</u>	<u>239</u>	<u>4,078</u>

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Consolidated financial statements (In Thousand Baht)			
For the year ended December 31, 2016			
At January 1, 2016	Recognized in profit or loss	Recognized in other comprehensive income	At December 31, 2016
Allowance for doubtful accounts			
- trade accounts receivable	1,303	171	-
Allowance for diminution in value of inventories	1,420	(172)	-
Liability for post-employment benefits	758	256	-
Allowance for doubtful accounts			
- unbilled project work in progress	-	262	-
Allowance for impairment of land	67	-	-
Provisions of fine for delay delivery	-	36	-
Total	3,548	553	-

Separate financial statements (In Thousand Baht)			
For the year ended December 31, 2017			
At January 1, 2017	Recognized in profit or loss	Recognized in other comprehensive income	At December 31, 2017
Allowance for doubtful accounts			
- trade accounts receivable	1,284	(471)	-
Allowance for diminution in value of inventories	1,135	64	-
Liability for post-employment benefits	975	312	227
Allowance for doubtful accounts			
- unbilled project work in progress	262	-	-
Allowance for impairment of land	67	-	-
Other	-	45	-
Total	3,723	(50)	227

Separate financial statements (In Thousand Baht)			
For the year ended December 31, 2016			
At January 1, 2016	Recognized in profit or loss	Recognized in other comprehensive income	At December 31, 2016
Allowance for doubtful accounts			
- trade accounts receivable	1,303	(19)	-
Allowance for diminution in value of inventories	1,279	(144)	-
Liability for post-employment benefits	733	242	-
Allowance for doubtful accounts			
- unbilled project work in progress	-	262	-
Allowance for impairment of land	67	-	-
Total	3,382	341	-

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19. SIGNIFICANT FINANCIAL INFORMATION CLASSIFIED BY OPERATING SEGMENT

Revenues from sales of goods, revenues from project works and services, other income, costs of sales of goods, costs of project works and rendering of services, other expenses, and profit / loss before income tax expense are significant financial and core information of the Group that are provided regularly to the highest authority in decision-making operation and also used in evaluation of financial performances of the segments. The Group operates in two main business segments, namely sales of fire protection equipment systems and project works and services (design, installation, repair and maintenance of fire protection systems).

In addition, the Group operates its business in Thailand. The management therefore considers that the Group has one geographical segment.

The following information classified of the Group business segments for the years ended December 31, 2017 and 2016;

	Consolidated financial statements (In Thousand Baht)					
	2017			2016		
	Revenues from sales	Revenues from project works and services	Total	Revenues from sales	Revenues from project works and services	Total
Revenues	655,717	319,619	975,336	628,412	194,150	822,562
Costs	(474,583)	(241,242)	(715,825)	(468,410)	(150,284)	(618,694)
Gross profit	181,134	78,377	259,511	160,002	43,866	203,868

	Separate financial statements (In Thousand Baht)					
	2017			2016		
	Revenues from sales	Revenues from project works and services	Total	Revenues from sales	Revenues from project works and services	Total
Revenues	642,894	280,471	923,365	615,057	145,154	760,211
Costs	(471,498)	(214,895)	(686,393)	(465,219)	(121,630)	(586,849)
Gross profit	171,396	65,576	236,972	149,838	23,524	173,362

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20. EXPENSES BY NATURE

Significant expenses by nature were as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Changes in merchandise	(43,432)	22,174	(46,074)	20,606
Purchases of merchandise	628,340	505,722	611,173	484,312
Employee expenses	102,379	88,102	97,938	84,426
Contractor charges	87,419	60,602	78,190	51,300
Rental and office service charges	6,605	6,298	6,580	6,270
Transportation - out expenses	7,091	5,840	6,792	5,436
Depreciation and amortization expenses	3,943	3,051	3,887	3,013

21. PROVIDENT FUND

The Group has established contributory provident fund for its employees. Membership to the fund is on a voluntary basis. The provident funds are registered with the Ministry of Finance as juristic entities under the Provident Fund Act B.E. 2530 and are managed by licensed Fund Manager. Contributions are made monthly by the employees and the Group at the rates as follows:

Description	2017	2016
The employees' contribution	3%-15% of employees basic salaries on a voluntary basis	3%-5% of employees basic salaries and working life
The Group's contribution	3%-5% of employees basic salaries and working life	3%-5% of employees basic salaries and working life

The Group's contributions to the fund in 2017 and 2016 were as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Contributions to the fund	1,797	1,542	1,690	1,453

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22. FINANCIAL INSTRUMENTS

Financial risk and related instrument management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates, from non-performance of contractual obligations by counterparties, and from financial liquidity. The Group does not have any policy to use or issue derivative financial instruments for trading purposes. The Group did not change any significant management policies relating to financial risks and related financial instruments during 2017 and 2016.

Interest rate risk

Interest rate risk arises from the fluctuation of market interest rates in the future, which may have a negative effect to operations and cash flow of the Group. The Group's management believes that the interest risk is minimal because the Group's short-term borrowings bear interest at or approximated the floating market interest rates.

Foreign currency risk

The Group has trade accounts payable denominated in foreign currencies, giving rise to the exposure on market risk from changes in exchange rates. The Group had entered into certain forward exchange contracts to manage its foreign exchange risk. The Group, however, is exposing to currency risk for those without forward exchange contracts.

As at December 31, 2017, the Group has financial liabilities denominated in significant foreign currencies were as follows:

	In Thousand Currency	
	<u>Consolidated financial statement</u>	<u>Separate financial statement</u>
US Dollar	1,768	1,508

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requesting trade credit from the Group. The Group's management believes that there were no significant concentrations of credit risk and exposure to credit risk shall not exceed the amount of allowance for doubtful accounts (if any) recorded in the statement of financial position.

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Liquidity risk

The Group manages its liquidity risk by maintaining the level of cash and cash equivalents deemed adequate to finance the Group's operations and investments and to mitigate the effects of fluctuations in cash flows with leaning to cash flows from operating activities and financing activities.

Fair value measurement of financial assets and liabilities

The Group used the Level 2 inputs of fair value hierarchy, which are other information observable for the asset or liability, either directly or indirectly, to measure the fair value of financial assets and liabilities which were as follows:

Cash and cash equivalents, trade and other accounts receivable - the carrying amounts approximate their fair values due to the relatively short-term maturity of these financial instruments.

Deposits at financial institutions under pledge - the carrying value approximates their fair value because these deposits bear interest at approximate market rates.

Bank overdraft and short-term borrowings from financial institutions, trade and other accounts payable - the carrying amounts of these financial liabilities approximate their fair values due to the relatively short-term maturity of these financial instruments.

Investment in subsidiary cannot be calculated for its fair values without excessive costs.

23. CAPITAL MANAGEMENT

The Group's significant objectives on capital management are to ensure that it has the appropriate financial and capital structure as well as to maintain the financial liquidity and ability to continue its business as a going concern. The Group did not change any significant policies relating to its capital management during 2017 and 2016.

As at December 31, 2017 and 2016, the Group's and the Company's debt-to-equity ratios were as follows:

	Ratio			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Debt-to-equity ratio	0.19 : 1	0.52 : 1	0.17 : 1	0.52 : 1

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24. DIVIDEND PAYMENT

- Firetrade Engineering Public Company Limited.

At the extraordinary shareholders' meeting No. 1/2016 held on January 28, 2016, the shareholders approved the dividend payment from net profit for the year 2012 at the rate of Baht 19.36047 per share, totalling Baht 3,872,094.95. The dividend was paid to the shareholders in March 2016.

At the extraordinary shareholders' meeting No. 2/2016 held on July 28, 2016, the shareholders approved the dividend payment from net profit for the year 2012 – 2015 at the rate of Baht 1,395.74 per share, totalling Baht 279,148,000.00. The dividend was paid to the shareholders in July and December 2016.

At the general shareholders' meeting of 2017 held on March 10, 2017, the shareholders approved the dividend payment from net profit for the year 2016 at the rate of Baht 0.14 per share, totalling Baht 63 million. The dividend was paid to the shareholders in March 2017.

At the Board of Directors' meeting No. 2/2017 held on May 12, 2017, the Board of Directors approved an interim dividend payment from operation of the 1st quarter of 2017 at the rate of Baht 0.042 per share, totalling Baht 18.9 million. The dividend was paid to the shareholders in May 2017.

At the Board of Directors' meeting No. 4/2017 held on November 8, 2017, the Board of Directors approved the second interim dividend payment from operation for the six-month period ended June 30, 2017 at the rate of Baht 0.07 per share, totalling Baht 42 million. The dividend was paid to the shareholders on December 7, 2017.

- Fire Inspector Company Limited. (“the subsidiary”)

At the Board of Directors' meeting No. 2/2016 held on July 1, 2016, the Board of Directors approved an interim dividend payment from net profit since start the operation to 2015 and some part of net profit for the year 2016 at the rate of Baht 1,097.50 per share, totalling Baht 21,950,000.00 and appropriated additional legal reserve amounting to Baht 76,496.46, totalling legal reserve was 10% of the subsidiary's authorized share capital. The dividend was paid to the subsidiary's shareholders in November and December 2016.

At the general shareholders' meeting of 2017 of the subsidiary held on March 21, 2017, the subsidiary's shareholders approved the dividend payment from net profit for the year 2016 of the subsidiary at the rate of Baht 949 per share, totalling Baht 18.98 million. The dividend was paid to the subsidiary's shareholders on March 31, 2017.

At the Board of Directors' meeting No. 3/2017 of the subsidiary held on December 1, 2017, the Board of Directors approved an interim dividend payment from the nine-month operation of the year 2017 of the subsidiary at the rate of Baht 426.78 per share, totalling Baht 8.54 million. The dividend was paid to the subsidiary's shareholders on December 28, 2017.

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25. COMMITMENTS

As at December 31, 2017, the Company had various forward exchange contracts (buy) with a local bank totalling approximately U.S. Dollar 0.5 million against Baht 16.56 million. The fair value of such forward exchange contracts as at December 31, 2017 is totalling approximately Baht 16.33 million.

26. CONTINGENT LIABILITIES

As at December 31, 2017, the Group had contingent liabilities for letters of guarantee issued by two local banks in favor of several counterparties for commercial purposes totalling Baht 26.2 million.

27. EVENTS AFTER THE REPORTING PERIOD

At the Board of Directors' meeting held on February 20, 2018, the Board of Directors has passed the resolution to propose the annual general meeting of shareholders to approve the following matters:

1. An appropriation net profit for the year 2017 for legal reserve amounting to Baht 7.3 million, and
2. Payment of dividends from operation for the period from July 1, 2017 to December 31, 2017 at the rate of Baht 0.126 per share, totalling Baht 75.6 million.

However, the above matters are subject to the final approval of the shareholders in the annual general shareholders' meeting of 2018.

28. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements have been approved for dissemination by the Board of Directors' meeting of the Company on February 20, 2018.

General Information

Company's name in English	: Firetrade Engineering Public Company Limited
Symbol	: FTE
Registered Number	: 0107559000397
Type of Business	: Importer and distributor of products related to full range of fire protection services comprise of: 1) fire protection equipment systems 2) fire suppression system 3) fire alarm system including designing, selling, sourcing, installing, examining, repairing and maintaining of fire protection equipment systems and related fire protection systems.
Head Office	: No. 21/57-58 Soi Soonvijai, Rama 9 road, Bangkapi Sub-district, Huaykwang District, Bangkok 10310
Tel.	: 02-641-4707-12
Fax.	: 02-203-0533, 02-203-0282
Website	: www.firetrade.co.th
Industry	: Service
Sector	: Commerce
First Trading Date	: 27 July, 2017
Authorized share capital	: Baht 300 million (Three hundred million baht only)
Issued and paid-up share capital	: Baht 300 million (Three hundred million baht only)
Ordinary shares	: 600 million ordinary shares
Par value	: Baht 0.50 per share
Referred persons:	
Auditor	: M.R. & Associates Company Limited No. 89, Soi Wat Suan Phlu, Charoen Krung Road, Bang Rak Sub-district, Bang Rak District, Bangkok, 10500 Tel. 02-630-7500-5 Fax. 02-630-7506
Securities Registrar	: Thailand Securities Depository Co., Ltd. 1st floor of The Stock Exchange of Thailand building, Tower B, No.93, Ratchadaphisek Road, Dindaeng Sub-district, Dindaeng District, Bangkok, 10400 Tel. 02-009-9000 Fax. 02-009-9991



FIRETRADE
ENGINEERING PUBLIC COMPANY LIMITED

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